

Youth murdered in riot by black gang, court told

By Lucy Hodges

A teenager was pulled out of a motor cycle and murdered by a group of black youths, in a night of violence, a court was told yesterday.

The violence began when between ten and twenty black youths armed with knives, sticks, bottles, chains and bricks, ran screaming into the Wilton Arms public house in Thornton Heath, south London, Mr Roy Amlot, for the prosecution, said at the Central Criminal Court.

Customers were cut about the face, hit on the head and kicked, and windows were smashed. After five minutes the raiders left to continue the violence on the streets. A man aged 51 had his head split open, two secretaries were killed, and Terence May, a white youth aged 19, who was riding pillion on a motor cycle was stabbed to death.

Yesterday 15 young blacks from south London appeared charged with riot; 11 are also accused of affray and seven are charged with murdering Mr May on June 1. All deny all the charges.

The trial is expected to last two months and yesterday morning the jurors were sworn in. By using 38 of a possible 45 challenges the defendants secured a jury containing three people of Afro-Caribbean origin and three of Asian origin.

The case has racial and political dimensions. Committal proceedings were halted in the magistrates' court because the case was taking so long and a voluntary Bill of Indemnity was used to get it to a jury trial quickly.

Yesterday Mr Amlot painted a picture of an area in which there had been a history of trouble between skinheads and black youths. It may be one side or the other was to blame. It may be both sides were to blame," he said. It seemed that Bobby Kennett, white skinhead who was drinking in the public house was the youths' target.

At 9.30 pm without warning and was obviously planned, Mr Amlot said. One youth carried an axe, another a truncheon and a third a rice flail. "They

BL to axe 750 jobs at two plants

From Clifford Webb Birmingham

£33m funds for firms challenged

By Anthony Berins Political Correspondent

The legality of government loans to thousands of small firms worth more than £33m, has been questioned, according to the government auditor's report, published yesterday.

Up to the end of March last year, loans totalling £33,825,312 had been made by the Act of 1969 for Small Industries in Rural Areas, which is wholly financed by the official Development Fund.

But it has been decided that under the terms of the parent Development and Road Improvement Funds Act of 1969, the Development Fund should not have provided money for commercial operations.

The fund accounts for 1980-81, published yesterday, stated: "Advances to COSIRA from the fund have hitherto been accepted as falling within the powers conferred by the Act of 1969. But there is now some doubt as to whether these advances were in fact covered by the Act, to the extent that they were used by COSIRA to give loans to profit-making bodies."

Mr John Williams, chief executive of the advisory Development Commission, said last night that no doubt was being cast on the validity of the £12m worth of loans currently outstanding. The Department of the Environment would in future bypass the Development Fund and make direct payments to COSIRA.

The embarrassment caused by the legal hitch is increased by the fact that such development funds have been made for about 40 years, predating the creation of COSIRA in 1968, with no action being taken to clarify their legal standing.

Mr Williams said: "We all see it as a bit of a technicality."

Newspaper made me feel a traitor, JPR says

J. P. R. Williams, Wales's most-capped rugby player, told a High Court jury in a libel case in London yesterday that a newspaper article had made him feel a traitor to his countrymen and his sport.

The article, one of two in The Daily Telegraph which

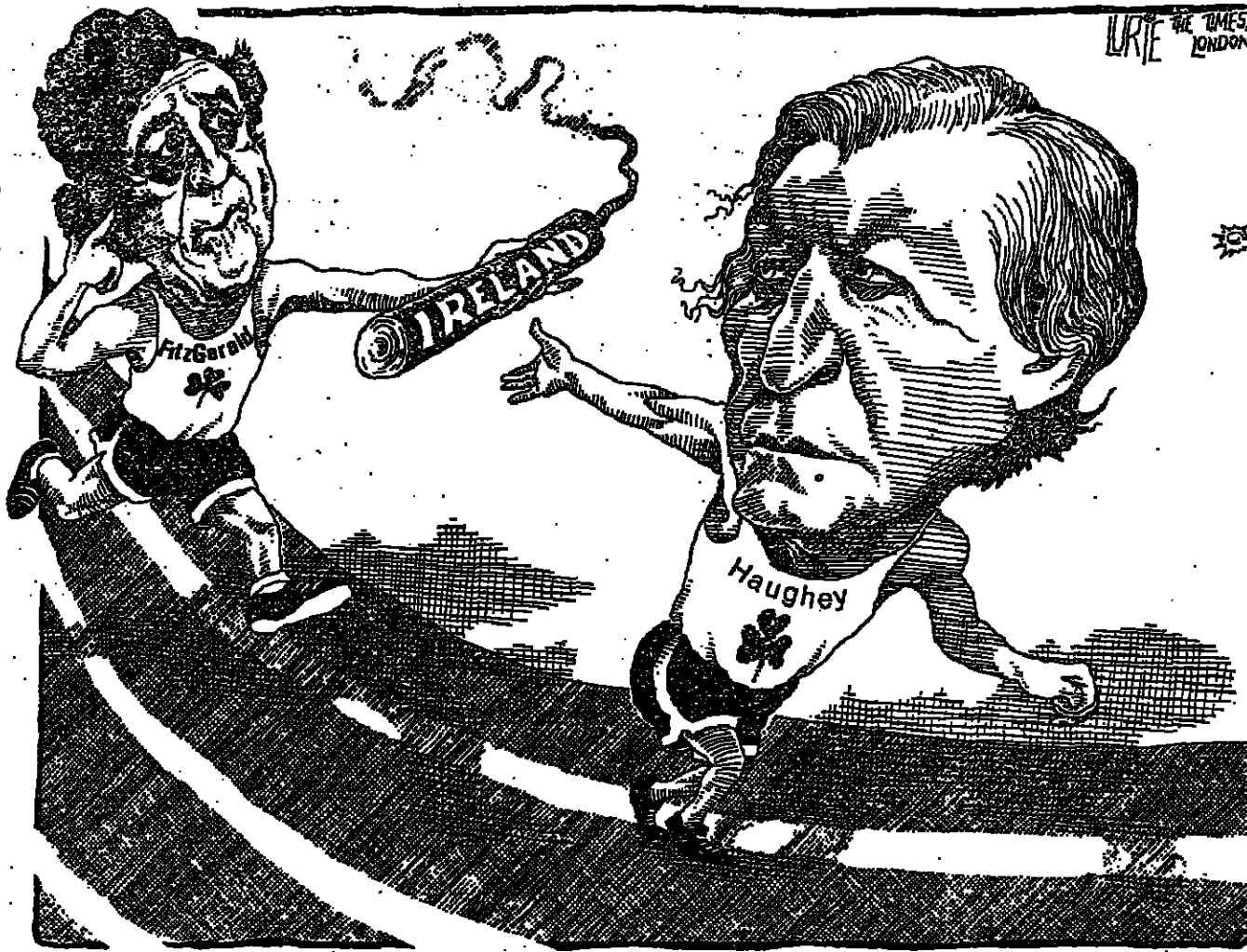
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Jobs action urged by Jenkins

By Our Political Editor

Calling for an urgent new effort by the Government to bring down unemployment, Mr Roy Jenkins said yesterday that the prospect of 3 million unemployed up to 1986 and beyond was simply unacceptable.

Quoting the report of the Manpower Services Commission, that big reductions below that level were not expected before then, he said it would be no good offering the unemployed "some hope for the late 1980s". The Government had a duty to stimulate growth.

Mr Jenkins, who is contesting the Glasgow, Hillhead, by-election for the Social Democrat and Liberal Alliance, told an audience of Hillhead businessmen that Britain had been overtaken in the past two-and-a-half years by an economic catastrophe. The world recession was not the main cause. The recession in this country was much worse than in most other OECD countries, mainly because of the savage deflationary policies the Government had chosen to apply.

Mr Jenkins said that the Government's refusal to allow the public spending borrowing requirement to rise as a proportion of gross domestic product in response to the recession had caused it to take measures which had made unemployment and inflation worse, cutting public spending, increasing indirect taxes, and interest rates, increasing nationalised industries' prices.

As unemployment had risen in consequence, and with it the need to pay out ever-increasing amounts of unemployment pay, the Government had resorted to more and more of the same medicine. And as budget deficits followed self-defeating budget cuts, the unemployment rate had steadily risen.

He said the Prime Minister evidently imagined that this would keep down inflation and lay the foundations for growth. But inflation was higher and there was no reason to expect a return to growth. Indeed, forecasts suggested only a very gradual upward movement in output in the foreseeable future, well short of the rate required to cause any fall in unemployment.

Mr Jenkins reminded his audience that when he fought the Warrington by-election last July he put forward a programme costing up to £6,000m to take a million people off the dole in two years.

The Government's policy was to sit tight and wait for growth to occur spontaneously, but the chances of spontaneous combustion were negligible.

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Playwright faces a £35,000 bill for clearing his name

By Frances Gibb

Mr William Douglas-Horne, the playwright, faces a bill of £35,000 for defending an action brought against him by the public spending watchdog.

Although Judge Mervyn Davies said last week there was no foundation in a claim by Mr Basil Ashmore, a stage director, that there had been a breach of copyright, Mr Douglas-Horne may have to pay his own costs because Mr Ashmore was legally-aided. Mr Ashmore will incur no cost.

Mr Douglas-Horne, aged 69, said yesterday: "I am very happy that I have won the moral victory. But there was no way I could get out of this case and I would have thought that the French have yet to be reimbursed the legal aid expenses. These would have gone towards reimbursing the legal aid expenses. Also, courts may order costs from the legally-aided party, consistent with his means, if the case is held to be frivolous."

Actions for tort, or civil wrongs, form only a small fraction of the total number of cases for which legal aid is provided. Of the total of 175,091 legal aid certificates issued in 1980/81, over 102,000 were for matrimonial proceedings. Other High Court cases totalled 32,697. The great majority of general tort cases where the party was legally-aided were successful: 81 per cent in 1980/81 in the High Court, Queen's Bench Division and 84 per cent in the County Court.

Although courts are beginning to take cognizance of the injustice that can arise where someone is obliged to defend an action, wins it and then receives no costs, lawyers also argue that if costs were automatically paid in such cases, those administering the legal aid system would be far less willing to award it.

The Law Society said yesterday that there were constraints operating against endless actions being brought at the expense of the legal aid fund.

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Union Bill raises new dissent in alliance

By Our Labour Editor

Fresh signs of policy conflict between the Liberals and the Social Democratic Party emerged yesterday in a Liberal Party discussion paper in industrial relations that condemns the Government's new legislation on the trade unions.

Although most SDP MPs voted for Mr Norman Tebbit's Employment Bill on its second reading, the Liberal document argues that both the Employment Act, 1980 and the changes recently proposed are likely to have an adverse effect on employee/employer relations since they have led to increased suspicion and hostility among trade unions.

In their pamphlet for the party's employment and industrial relations panel, Mr Nigel Hawkins and Mr Ian Fordyce call for a positive role for the unions and propose a framework of law so that employees and management can cooperate "on their mutual advantage".

The authors, whose work has the official party imprimatur, say "Liberals do not propose to legislate on matters affecting the organization and procedures of trade unions". They would only encourage unions to improve internal consultations, enforce the TUC code of conduct on picketing and consider forgoing the strike weapon in the public services.

The unions ought to have an enhanced role, retaining their key functions of protection of individual rights and bargaining and ensuring employee representation.

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Science report

Mystery disease kills rare rhinos

By Tony Simstad

The world's rarest rhinoceros is threatened by an undiagnosed disease that has so far killed five of the only remaining sustainable population, about 60 animals confined to a national park on the extreme western tip of Java.

Symptoms of the disease appear to range from diarrhoea to pneumonia to diarrhoea. Hundreds of goats, buffaloes and chickens near the Ujung Kulon National Park have also died.

The Javan rhino is one of five species. Smaller than the more familiar African rhino, it is distinguished by small, polygonal scale-like discs that form its most distinctive feature. It is much prized by poachers for its supposed potency.

TUC vetoes call to boycott talks with state bodies

By Paul Routledge, Labour Editor

Trade union leaders who are drawing up the TUC's plan of campaign against new legal curbs on organized labour yesterday decisively rejected a left-wing move to boycott tripartite talks with employers and Cabinet ministers.

By eight votes to five, the TUC employment policy and organization committee agreed to delete all reference to possible withdrawal from the National Economic Development Council from a programme of action going to a special delegate conference on April 5.

Led by the Transport and General Workers' Union left-wingers on the committee argued that the option of pulling out of "Neddy" and its sub-structure of working parties and joint industrial bodies ought to be retained, even if it was not an immediate policy target.

But with warnings fresh in their minds from Mr Len Murray the general secretary that such a move would be irrelevant in the fight against the forthcoming Employment Act, the moderate majority was mobilized in favour of keeping up the public appearance of talking to the Government at national level.

The offending paragraphs, deleted from the confidential TUC document in the instance of the moderates, said: "The General Council have considered suggestions that trade union representatives should be withdrawn from tripartite bodies (including the NEDC, sector working parties, and development committees on which discussions on economic and industrial matters involving government ministers take place).

In replying, the General Council said it understood the view of those who argued that no constructive dialogue could take place with government ministers and em-

ployers, but argued that membership of tripartite bodies affords the TUC and union representatives a measure of influence over policy and administration, and a means of defending trade union interests in important areas, and... a valuable public platform for criticizing the policies of the Government and employers.

"Moreover, there are indications that the more reactionary elements in the Government would welcome any move by the TUC to withdraw the movement's participation in such institutions and use it to brand the TUC with responsibility for the demise of bodies to whose existence and activities they are opposed."

The paper cites the recent change of chairman of the Manpower Services Commission as "a direct provocation to the TUC to withdraw from a body which has carried through some remarkably successful programmes of great benefit to workers and the unemployed."

The TUC should therefore withdraw its representatives from public bodies "only where it is established that the long-term balance of advantage to the movement is in favour of withdrawal."

Support for removing these passages came from Mr Clive Jenkins (ASTMS); Mr Les Wood (UCATT); Mr Sidney Heath (NUJ); Mr Ken Baker and Mr Pat Turner (GMWU); Ms Ada Maddox (NALGO); Mr Tony Christopher (Inland Revenue Staff Federation) and Mr Ray Chadburn (NUM).

"In favour of the left-wing option were Mr Moss Evans and Mr Stanley Pemberton (TGWU); Mr Douglas Grieve (TWU); Mr Ken Gill (AUEW, TASS) and this year's TUC chairman, Mr Alan Sapper. The committee chairman, Mr William Keys (Sogat) did not vote.

Broadmoor patient appeals to Europe

By Lucy Hodges

A Broadmoor patient is today complaining to the European Commission on Human Rights that the Government denied him rights by refusing legal aid for mental health review tribunal cases.

Mr William Collins appealed to a tribunal for his release and tried to get a lawyer to act for him, but was told legal aid was not available for such cases. He therefore had to represent himself.

He was allowed to make a statement to the tribunal but was excluded from the rest of the hearing while his psychiatrist and family gave evidence. He was not allowed to see medical or social reports and could not question witnesses. The tribunal decided not to release him.

Mr Collins, who is being represented in Strasbourg by MIND, the mental health charity, is arguing that he was not able to have his case properly heard. He says that breaches the European Convention on Human Rights which guarantees the right to an effective hearing.

The case coincides with today's debate on legal aid in the House of Lords and comes after a call by the Law Society for legal aid to be granted for mental health review tribunal hearings.

Mr Larry Costin, legal director of MIND, said yesterday: "It is an appalling injustice that in a matter affecting a person's liberty the financial means of a person concerned is a critical factor. Mental patients have a much stronger case for legal aid than do many others who already receive it."

Island oil search

Engineers began drilling for oil on the Isle of Wight for the first time yesterday. The operation on the British Gas site near Porchfield, will last about six weeks.

MPs back legal aid reforms

By Frances Gibb

The all-party parliamentary penal affairs group has tabled new clauses to the Criminal Justice Bill which would implement some of the reforms to the legal aid system that the legal profession wants.

The Government's failure to implement the reforms has provoked an unprecedented dispute between the profession, from the Law Society to legal pressure groups, and the Lord Chancellor's Department.

That culminated in public castigation of the Government's inertia by the Law Society in its annual report on legal aid; the result of several years' pent-up frustration and anger among those who administer the legal aid system.

An amendment is also being tabled today by Lord Wallace of Gosport to the Mental Health Amendment Bill when it reaches its report stage in the Lords. That deals with another of the outstanding reforms, the provision of legal aid for applicants before mental health review tribunals.

Mr Robert Kilroy-Silk, Labour MP for Ormskirk and chairman of the penal affairs group, said yesterday: "All these clauses deal with the potential loss of an individual's liberty; they are absolutely crucial. Nobody should be deprived of their liberty unless properly and legally represented."

He could see no reason why the clauses should not be accepted. "They are all reasonable and supported by knowledgeable and informed opinion. I would expect the Government to support them."

The clauses to the Bill, which is in committee stage, deal with two reforms the legal profession wants implemented. They are legal aid for children in care proceedings (where parents might lose their children) and for appeals to a crown court judge in chambers against the refusal of bail by magistrates.

The clause on children in care proceedings, which was signed by six MPs from

Labour, Conservative and Liberal parties, says that a court shall not make a care order under section 7 of the Children and Young Persons Act 1969, in respect of a child or young person who is not legally represented unless he applied for and was refused legal aid because his means did not warrant it; or, he was told of his right to apply for legal aid but declined to take it up.

The clause on legal aid for bail applications to crown courts, signed by five MPs, again from all parties, stipulates that the Legal Aid Act be amended so that where a person in the custody of the magistrates court and who has been refused bail by that court, applies to the Legal Aid Act for care proceedings, the crown court, either court may order that he shall be given legal aid for that purpose.

The legal profession argues that none of those reforms would be costly. Legal aid for care proceedings is estimated to cost £1m; for mental health review tribunals £60,000.

Developers lose appeal to build near mansion

By Hugh Clayton

Developers have failed in a second attempt to win permission to build in the grounds of an eighteenth-century mansion which is listed as a grade one historic building. The house is The Ivy in Chippenham, Wiltshire, described in Sir Nikolaus Pevsner's *The Buildings of England* as "by far the most interesting if not the most perfect house in the town".

Mr Stephen Marks, an independent inspector appointed by the Government, has rejected an appeal by Heston's developers against refusal by North Wiltshire District Council to allow the building of 12 houses.

"In my opinion the proposal has been carefully and imaginatively designed and is much to be commended," Mr Marks said. He decided that the kitchen garden was intended to be part of the garden landscape of the main house, "although the layout of the garden itself is of no great intrinsic merit".

Mr Marks was told at an inquiry last year that the houses would be built along the sides of a square so that the design of the development would be in harmony with the outline of the Ivy, "as if the houses had been, for example, stable buildings round a formal mews court".

While he acknowledged Heston's efforts to make the new houses blend with the original one, he had decided that the proposed new court would be too large in proportion to The Ivy. "As the south terrace progresses eastwards it would increasingly intrude in my opinion upon the more important views of The Ivy," he added. Some of the proposed new houses would do "great harm" to the existing setting of the old house.

Ms Gillian Darley, a member of the committee of Save Britain's Heritage, said the group welcomed the decision. Heston declined to comment.

Pope to pray with Anglicans

From John Chartres, Liverpool

Plans for the Pope's visit to Liverpool include a visit to the Anglican Cathedral, during which it is hoped he will lead a recital of the Lord's Prayer before a congregation of some 3,000 Anglicans and members of other non-Roman Catholic Christian denominations.

The Very Rev Edward Patey, Dean of Liverpool, plans that the cathedral choir should sing a Polish carol in a gesture of farewell before the Pope leaves to celebrate Mass at the Roman Catholic Metropolitan Cathedral nearby.

After an official announcement of this festive part of the Pope's visit in Liverpool

yesterday, the Anglican Bishop of Liverpool, the Right Rev David Sheppard said: "I have prayed that the Pope's visit to Liverpool should be a celebration of the faith by the whole Christian church here. This joint act of celebration is not a piece of window dressing. It expressed vividly what many of us are working at daily."

"To those who are afraid that Christian truth is being compromised, I say 'please understand that I believe that God is calling us to reconciliation with our fellow Christians.'"

The bishop added: "We have not solved all the questions which lie between

our churches. We cannot lightly set aside the differences which have separated us for centuries. But to put up lamely with the divisions history has handed down to us is a sin."

"There are those who appeal to the old bitterness and mistrust but I have no doubt that the vast majority of Anglicans and Free churchmen feel a deep sense of rightness that partnership and brotherhood is replacing them."

It is planned that the Pope will enter the Anglican Cathedral by the west door after being greeted by Anglicans and non-conformist leaders



In the driving seat: Mr Peter Thompson (left) chief executive of NFC, with Mr David Howell yesterday

10,000 at the wheel as freight staff take over

Staff were so keen to own National Freight Company that they offered about £1m more than was needed to buy it from the Government yesterday. Britain's biggest staff takeover went through triumphantly when Mr Peter Thompson the chief executive, handed a cheque for £53.5m to Mr David Howell, Secretary of State for Transport, at a north London freight depot yesterday.

"We're in the driving seat now" (Michael Baily writes).

Mr Howell did not take that amiss. He welcomed the sale as "a historic milestone in the development of the

property-owning democracy in this country" and a vote of confidence by employees in their company. "This must be right — the way forward is for management and workers to end conflict and work together."

Because the 44,000 staff and pensioners raised more than £7m, against the £6.1m needed to win 82 per cent control of the company, offers over £600m, the average shareholding, are being scaled down to give the widest possible spread of ownership.

More than 10,000 will end with a share of the £400m-a-year group, which has 20,000 lorries and an 8 per

cent share of Britain's road haulage market as well as interests in travel, warehousing and cold storage. As a result, Mr Thompson said yesterday, it will be "more difficult to manage with 10,000 well-informed shareholders watching every move, but also more rewarding."

Waste should be eliminated and increased revenue would flow from better service to customers. "This new type of industrial enterprise," he told boiler-suited shareholders quaffing Marks and Spencer Asti Spumante at the hand-over ceremonies, "will be much more challenging, exciting, and profitable."

Rescue of Aintree in trouble

By Richard Evans

The latest attempt to end a decade of uncertainty surrounding the Grand National and Aintree racecourse at Liverpool ran into an immediate financial hitch last night.

Mr Denis Howell, Labour MP for Birmingham, Small Heath, and a former minister for sport, announced his scheme in London for the compulsory purchase of the site by Merseyside County Council and indicated that the council would have to provide half of the proposed £3m needed.

But last night Mr James Stuart-Cole, leader of the council, said: "Funding this to the tune of £1.5m in the present climate would be very difficult."

Despite the cash difficulty Mr Stuart-Cole said he was happy with Mr Howell's proposals and had instructed his council officers to look closely into them.

Mr Howell's intervention comes as Mr Bill Davies, the owner of Aintree racecourse, continues to ask £3m for the 50-acre site. Ladbroke's have been paying Mr Davies £270,000 a year to stage the Grand National, but that contract expires in April.

The proposals outlined by Mr Howell would transfer the ownership of Aintree to Merseyside County Council at a price to be determined by the district valuer, designating it as a regional sports centre.

Receiver optimistic for De Lorean

From Richard Ford, Belfast

Two financial institutions have expressed an interest in the De Lorean Motor Company, Sir Kenneth Cork, one of the receivers, said as he arrived in Belfast for meetings with management, union and local creditors of the company.

Today he will meet another organization that is interested in taking over sales of the sports car through the rest of the world and a big car rental company in America has bought up to 2,000 cars in the United States to add to its fleet of hire vehicles.

On his first visit to the plant since being appointed receiver last week Sir Kenneth met the workforce and clambered in and out of the car. He expressed hope that the factory on the outskirts of Belfast could be saved and remain a going concern.

Tomorrow he flies to the United States to study the organization there but in Belfast there are fears that several local firms face collapse because outstanding debts will not be paid.

Sir Kenneth, a former chairman of the Northern Ireland Development Agency said there was a good prospect of raising the £50m-plus needed to keep the company afloat. "The company is a business. The debts, marketing and licensing of the cars, which sell for \$25,000. The company retains about 14 per cent gross of every sale.

street. People come and look at it. We want to keep this going."

Mr John de Lorean is due to invest \$5m of borrowed, personal money into the American arm of the sports car company Christopher Thomas writes from New York.

The search for up to \$74m needed to save the enterprise is continuing, but company officials in New York were unable yesterday to say if progress had been made.

Mr de Lorean has said that under the receivership agreement the company would be relieved of an obligation to pay \$70m on a guarantee of notes used to put up the plant if he invested \$5 in the American parent.

It appears that he is using various pieces of his estimated \$15m in land holdings as collateral for borrowing the money. He seems confident that if he can persuade investors to put up between \$50m and \$74m he might be able to buy back or lease the Belfast operation.

Mr de Lorean's infection of \$15m should be sufficient to prevent American creditors forcing a liquidation of the United States operations, which have not been adversely affected. The company still controls the sales, marketing and licensing of the cars, which sell for \$25,000. The company retains about 14 per cent gross of every sale.

High street adoption shop opens

"My name is Jason and I am electric. I am nine years old and I like swimming, football, magic and listening to pop music. My favourite foods are sausages and this is all my own work."

With messages like that and appealing snapshots of their young authors, Britain's first chain of county council "adoption shops" opened yesterday in Chelmsford, Essex.

Essex County Council, which two years ago pioneered the idea in partnership with Dr Barnardos, plans to spend about £500,000 over the next three years to sell the idea of adopting difficult youngsters through shop windows in Chelmsford, Colchester and Southend.

The council hopes to find homes for about 200 young people who might otherwise spend most of their lives in institutions.

Mr Maurice Hawker, county director of social services, opening one of the new "family finders" centres said: "We make no apology for using hard-sell methods to draw attention to the plight of these youngsters. There has been criticism that we are using blatant advertising methods to find adoptive parents but we are only doing what we believe is best for the children concerned."

Mrs Joan Martin, chairman of the council's social services committee, said colleagues were at first reluctant to support the project. "They took a bit on convincing. Some people had the idea of children sitting in the window with 'For sale' notices hanging round their necks. But we have got over that hurdle."

Mr Peter Turner, project director, said social workers would be based at each of the three shops to discuss adoption with interested families. He said: "The children are not trying to place themselves. They are certainly not little angels. They suffer from a whole range of emotional and sometimes physical handicaps and caring for them will not be a picnic."

NEWS IN SUMMARY

GLC's jobs banner cut down

A 70ft banner advertising the number of London's unemployed was cut down from the roof of County Hall, across the Thames from Parliament on Sunday night. It was found on the ground intact yesterday, the ropes holding it had been severed.

Informers's jail sentence cut

A 14-year jail sentence on Donald Walter Barratt was cut to seven years by the Court of Appeal in London yesterday because the sentence "did not reflect Barratt's valuable assistance to the police."

Lord Justice Dunn, sitting with Mr Justice Cantley and Mr Justice Sheldon, said Barratt, aged 45, was not given sufficient discount by Mr Justice Mustill at the Central Criminal Court last June for the information he gave about his accomplices in serious crimes, including robbery, conspiracy theft and wounding with intent.

Trial delay for footballers

Peter Osgood and Ian Hutchinson, former international football players, who are accused of handling stolen goods, are driving at their trial, The Union Inn, Old Windsor, Berkshire, had their cases adjourned by magistrates at Aldershot yesterday.

The prosecution said the police had received information that would take three weeks to investigate.

Racist attack on building

A group calling itself the White Defence Force is believed responsible for an attack on a building in Oxford, the second such incident in five months.

Windows at a centre for unemployed youths were broken on Sunday night and a leaflet left threatening death to anyone who opposed racial discrimination. Another building, a boarding house, was said to have been selected for the housing of homeless white families.

Petrol throwing death charge

George Hood, aged 55, appeared at Edinburgh Sheriff Court yesterday accused of murdering William Harman by throwing petrol or some other inflammable liquid over him and throwing a lighted match at him in a Midlothian ambulance depot.

Hood, of Mansfield Avenue, Newington, was also charged with the attempted murder of Michael McHale and George Shaw. He was remanded in custody.

Guamman escape with £75,000

Three men wearing Mickey Mouse masks fired two pistol shots yesterday during a raid on a security van outside the National Westminster Bank in Claygate, Surrey.

They escaped with £75,000 after shooting at a customer who slammed the bank doors. They escaped in a blue van, found later three-quarters of a mile away.

£250,000 pike

Work is nearing completion in Ulverston, Cumbria, on a £250,000 mechanical pike for *The Pike*, a film about a man-eating variety of fish, to be made on Windermere in the spring. The 12ft fish will be programmed to swim at 25 knots.

A hole in the herring nets

From Jonathan Wills, Edinburgh

In a case that would open a legal loophole for British herring fishermen a Shetland court yesterday ruled in favour of a herring fisherman who was charged with carrying about 300 tons of herring.

At the time of the arrest, Mr Simpson was at latitude 59 degrees 50 minutes north

and was heading for Denmark. He said he caught the herring off Suffolk.

Mr Simpson said he caught legally only in the North Sea south of 53 degrees north. The Azalea was 675 miles north of that line when he stopped but still had live herring on board. The prosecution attempted to prove that the herring had been taken within miles of where the Azalea was arrested, but after hearing scientific evidence on how long herring

can survive after being caught, Sheriff Alastair Macdonald ruled that there was no case to answer.

The verdict suggests that herring boats must now be caught with their nets in the water.

The Government announced last night that the herring fishery in the southern North Sea and the eastern English channel would close from midnight tomorrow because the fleet had caught the agreed quota.

Prisoners freed in police corruption inquiry

From Ronald Kershaw, Leeds

Investigations by a team of detectives from Humberside into alleged irregularities among officers of South Yorkshire Police have so far resulted in the suspension of two officers and the release, pending an appeal, of two prisoners who have served two months of five-year sentences imposed last November.

The men, Mr Nicholas Froggett and Mr Mark Brennan, both aged 22, had protested their innocence of robbery charges.

The Humberside team, led by Det Supt Ronald Sagar, started investigations into the activities of the South Yorkshire Police drugs squad at Sheffield last May. Almost immediately two South Yorkshire officers were suspended. It is understood that during that investigation, irregularities came to light involving the fabrication of evidence and that resulted in

the immediate release of the two men.

South Yorkshire Police said last night that five officers had been suspended; two were suspended last year, one was under suspension on an internal matter and two officers were suspended about a week ago. A police spokesman was not prepared to give reasons for the two latest suspensions, and said that it would be wrong to suggest that all five men had been suspended as a result of the Humberside inquiry.

The crime for which Mr Brennan and Mr Froggett were convicted involved a woman who was attacked and robbed by assailants wearing stocking masks. The two were arrested at Gainsborough, Cleveland, while attending a wedding in July last year and were held in custody from that time until their recent release.

HOLIDAY PILLS CONCERN

By Annabel Ferriman, Health Services Correspondent

Travellers who carry antibiotics abroad and take them incorrectly without medical advice could be encouraging the spread of drug-resistant germs, a British Medical Association pamphlet published today says.

The pamphlet, on keeping healthy on holiday, gives several reasons for avoiding the use of antibiotics without medical supervision. It says taking antibiotics for diarrhoea is ineffective and self-medication for suspected venereal disease can give a false sense of security.

The pamphlet, written by Professor George Dick, former professor of pathology at London University, also warns women that the contraceptive pill takes time to be absorbed. Vomiting or diarrhoea can wipe out its effect and another pill should be taken.

Leyland engine testing leads the world.

The engine proving centre at Leyland is the most advanced in the world.

Every single diesel engine built at Leyland is run-in on the bench while connected to a special computer which monitors and analyses every important aspect of its performance.

Only when it has

proved its reliability will the engine move onto the assembly line.

This gives Leyland truck operators the confidence of knowing that their engine has been through the most rigorous testing procedure of any vehicle manufacturer.

Fighting back

Hospital bills to go to five million visitors

HEALTH SERVICE

Overseas visitors to Britain will from October have to pay for hospital treatment in national health service hospitals, Mr Norman Fowler, Secretary of State for Social Services, announced in a statement. It was estimated, he said, that the charges would raise about £5m a year. The proposals would bring Britain into line with virtually every other western country.

Mr Fowler said: My predecessor told the House last March of the Government's intention to make regulations to provide for charges for hospital treatment for those not ordinarily resident in the United Kingdom. The national health service has been under pressure, with long waiting-lists for some specialties in some parts of the country. It is only fair that people coming from overseas who have not contributed through taxes should be asked to pay for treatment which our own citizens would be required to pay when they are overseas.

We have consulted widely on the proposals and I can now report that a new system will be introduced which will provide extra finance for the national health service, and which hospitals can administer in a way

which will minimise the risk of racial discrimination. We therefore accept the working party's recommendation that all charges should be a standard procedure for checking the eligibility of all new hospital patients and guidance will be issued to hospitals and the main principles identified by the working party.

We propose however some further changes in the scope of the scheme. In response to representations that the proposals would affect the time of overseas students here for a considerable period, we have decided that all visitors — including overseas students — should become exempt from charges after they have been here for one year, instead of the three years in the earlier proposals.

We also propose that people coming here to work should be fully exempt from the beginning of their stay as will some visiting dependents of people settled in this country. In other respects, the scheme would be broadly the same as that on which we consulted last year.

We estimate that the charges will raise some £5m in full year. I should emphasise that the money will be available to the district health authorities or boards to finance their expenditure on health care.

Reciprocal agreements with other countries will of course be taken into account. The new arrangements will be published abroad and visitors coming here can take out insurance before they arrive, as we do when we visit their countries.

These changes will bring our position into line with virtually every other western country. There is no reason why British taxpayers should provide free hospital treatment for short-term visitors to this country.

Mrs Gwyneth Dunwoody, Opposition spokeswoman on health (Crewe, Lab) said: This bland statement does not hide the fact that the intention behind the charges is to raise money to pay for the services which are being provided to the most

exaggerated prejudices of the Conservative Party. (Conservative Party) A number of detailed changes have not been made clear. For example, these new regulations will depend on the assumption that those who

output in the United Kingdom will only increase when more wish to buy its products. Mr Jenkins: He has stated an obvious truth with admirable clarity.

Mr Stanley Orme, chief Opposition spokesman on industry (Salisbury, West, Lab) said: The December figures for manufacturing output declined to the lowest level for 15 years and 2.4 per cent alone in December — and that is disastrous. This contradicts the confidence that he has expressed in the dispatch box in previous months.

What action is the Government going to take — for example to secure the order for the P and O liner for British shipyards?

Mr Jenkins: He seems to have forgotten that the December blizzards were some of the worst winter weather since the late 1800s. If he thinks that the severe weather conditions industrial production can remain unaffected then he is living in a dream world.

With regard to the P and O liner, British Shipbuilders' yards are now fully booked with orders and the reason why that order has not come to British Shipbuilders is because they were not able to deliver in the time required by the customer.

Mr Michael Gwynne (North-West, Lab) said: The most important achievement of British industry in the last year to 18 months has been the great improvement in productivity. As we come out of recession this should lead to greater orders to British firms and therefore greater output.

Mr Jenkins: He is right, and the export figures show that the increase in exports currently going on is one of the encouraging phenomena we have seen for a long time.

are ordinarily resident here will be excluded. There is no clear legal definition of those who are "ordinarily resident" and this is already causing difficulty for other Whitehall departments.

Is the £5m he thinks he is going to get from these charges a net or gross saving? Even the administrative changes he is proposing will add a considerable amount of work to the job of admission clerks with difficulties that will arise from persistent questioning.

Is it the intention that DHSS employees will have the right to go directly to the Home Office and check on the status of overseas visitors? That would be a dangerous development and one to be opposed at all costs.

What is the extent of the about-once-a-year report? It says in the working party's own report that they were not asked to quantify the extent of the abuses and make no attempt to do so. Since there are 12m visitors to this country a year and more than half are already excluded because they are already in EEC and other schemes, how does he expect to gain this amount of money from the imposition of charges?

He should come clean and try to make obvious to the House what he really intends to do to provide a system of charging that can be developed in the future. NHS patients in this country will also have to pay for their treatment. (Labour cheers and Conservative cheers.)

Since it is obvious, even now, there is no means of recovering private patient costs, how does he expect to get any money back by this despicable and divisive scheme?

Mr Fowler: Mrs Dunwoody has asked a great number of questions. A number of the number of silly statements indeed. (Conservative cheers.) We are talking here of more revenue for the NHS.

On discrimination, the working party set up found that the present system was not one of discrimination, but that it was changing to, contained within it a distinct risk that rules might be applied in this country in a way which would discriminate against members of ethnic minorities living here. I would have thought she would have wanted to change that position.

Mr Cunningham (Whitehaven, Lab) said: It is a tragedy that the largest shipbuilding order for many years from one of the largest British shipping companies is not being built in Britain. That is an indictment of the Government's policies on shipbuilding and shipyard workers, whose jobs are threatened, will take note of the indifference of the Secretary of State for Industry (Mr Patrick Jenkin) to their plight.

Mr Wakeham: On Monday Swan Hunter shipbuilders announced £25m order for a container ship for a United Kingdom company. In each of the last three years the United Kingdom built orders have gone to British Shipbuilders. They have provided between a third and two thirds of SS's new business. That is a record.

Mr Douglas (Battersea, Lab) said: The P&O order is lost through lack of capacity this shows the fault in cutting down our industrial capacity during temporary recession.

Mr Wakeham: British Shipbuilders want to establish a long-term viable base for their industry. That is basically the decision they have made.

Labour says BL should buy British steel

There was no future for any British industry which thought it could be built on subsidised steel, Mr Patrick Jenkin, Secretary of State for Industry, said when questioned on productivity improvements at British Leyland over the last year.

He said that productivity improved last year by 30 per cent at BL Cars' plants overall, and by over 100 per cent at the Longbridge plant. This was encouraging progress which reflected credit on all concerned.

There is the (said) some way to go, however, before the company as a whole becomes internationally competitive.

Mr Anthony Beaumont-Dark (Birmingham, Selk, C): This will be welcome by all of us who wish to see BL prosper and great credit is due to BL.

Has he noticed the speech of Sir Michael Edwards on Friday when he said he expects to buy steel from overseas? Bearing in mind that BL and British Steel are both subsidised to the tune of billions by taxpayers, would it not be more economical for BL to buy British steel rather than cost people their jobs?

Mr Jenkins: I know that the chairman of BL is in touch with the steel industry. There is no future for any British industry that thinks it can be built on subsidised steel.



Fowler: Extra finance

The present system is not being enforced because that is what the working party says. It opens the door to abuses. We know there are complaints year after year from inside the NHS. I am not just concerned with abuse; I am concerned with raising money for the NHS from short-term visitors to this country.

The question is basically: "who pays for the taxpayer or the insurance company of the overseas visitor? I see no reason why it should be the British taxpayer. (Conservative cheers.)"

Mr Maurice Miller (East Kilbride, Lab): This shameful decision is another way in which the prestige of this country is being eroded by this Government.

Mr Fowler: We have approached five million visitors on short term from non-EEC countries and countries without reciprocal arrangements. If the Opposition's concept of the NHS is a free national service for anyone who comes to this country, then it is sadly out-of-date.

Mr J. H. Knight (Birmingham, Edgbaston, C): The British taxpayer has been long for a Secretary of State with the courage to take the step he has just announced.

Many visitors to these shores, particularly from America and Canada who are some of them, extremely wealthy, but for years thought it incredible that we have been so stupid to offer them free health service when they were capable of paying for it

economic prices for our engineering industries. Mr Hilary Miller (Bromsgrove and Redditch, C): Have the effects on the engine improvement in productivity at BL of any proposal by Nissan to establish in this country, been studied by the Government?

Will he take account of such evidence when he comes to a decision on the Nissan project?

Mr Jenkins: In considering these matters, the Government is bound to have regard to the overall impact which a major new project of this kind will have on the economy generally and the vehicle sector in particular.

We have not to be satisfied that such a project coming to this country will be in the overall interests of this country.

Mr Stanley Orme, chief Opposition spokesman on industry: British Steel are one of the largest purchasers of raw materials. In consequence, should not BL be purchasing from British steel?

Mr Jenkins: This is not a "Buy British" policy which should be supported by the Government. We have not to be satisfied that such a project coming to this country will be in the overall interests of this country.

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Mr Jenkins: He knows, because he has had responsibility for these matters, that the question of purchase is a commercial decision for the management on the companies concerned.

I take great encouragement from the Opinion Research Centre Poll in Bathgate and beyond which showed that many of the employees at BL did not wish to go on living on Government subsidies but were prepared to ensure that they become competitive and profitable in their own right.

That must be as right for steel as for cars.

Mr Norman Lamont, Minister of State for Industry rejected a suggestion from Mr Tam Dalyell (West Lothian, Lab) that the Government should try to alter the management structure of British Leyland to make the company more accountable to its workforce for policy decisions, especially when these related to closures.



Pavitt: Read parable

and when the ordinary British taxpayer, who does pay for it, has to be denied it because of shortage of cash.

Mr Fowler: She is right. What we are doing is to ask visitors to this country to insure against hospital treatment if they fall ill here. That is precisely what we are expected to do if we go to those countries.

Mr Laurence Pavitt (Brent, South, Lab): Is the £5m net or gross? This was known as the good Samaritan policy. When he says his prayers tonight, would he read the good Samaritan parable again?

Mr Fowler: We are talking about five million visitors coming to this country. My predecessor set out a figure of £5m. That has been updated by inflation. The cost of the policy is not what it was. It is unlikely to be less than £7m net — the cost we receive back from hospital services is in the nature of £3,000m a year.

Dr Brian Mawhinney (Peterborough, C): Will he make sure that the five million are informed of the need to buy insurance before they come to this country so that we can avoid any difficulties of people trying to beat the system through claiming ignorance.

Mr Fowler: That is an important point. That is why the scheme will not be coming into effect until October 1.

assurance that a Labour Government would not take the country into a recession. Mr Patrick Jenkin, Secretary of State for Industry, said at question time.

He told MPs that further discussion of the Nissan project and Nissan took place in London last week.

Some progress was made (he said) but the range of issues still to be agreed. The final decision of the board of Nissan will also depend upon the availability of a suitable site and a successful outcome to discussions which it is intended should take place with the relevant trade unions.

Mr Giles Radice (Chester le Street, Lab): There is a strong case for the Nissan project in the area like the north-east which has a high level of unemployment.

Mr Jenkins: The question of the site must be primarily one for the Nissan company to decide. All the discussions have taken place upon the assumption that the factory will be sited either in a development area or a special development area.

Mr Raymond Whitney (Wycombe, C): Is not an important element in the Nissan investment decision the membership of the EEC?

Mr Jenkins: It has been made clear to me by the representatives of the Nissan company that one of the main attractions they see in establishing a factory in the United Kingdom is because it will offer access to the European Community.

We have not discussed the prospect of the Nissan company taking the country out of the European Community but no doubt this is a matter the Nissan company will wish to have considered. The Government of the Opposition, if we lose the contract we will know why. (Conservative cheers)

Asked if the issues still to be discussed with the Nissan company included the amount of financial assistance which the Government was likely to give them, Mr Jenkins replied: It would be unwise to be drawn into the details of the discussions I have had with the representatives of the Nissan company. There have been on an extremely friendly and frank basis. Useful progress has been made.

Useful spin-off developments from Concorde

There had been many useful technological developments as a result of the Concorde project, Mr Norman Lamont, Minister of State for Industry, said when Mr Kenneth Eastman (Manchester, Blackley, Lab) asked what spin-off developments had been produced by the project.



Criminal legal aid costs £100m

HOUSE OF LORDS

Although it did not make fundamental changes in criminal legal aid, Lord Hailsham of St. Marylebone, the Lord Chancellor, said, in moving the second reading of the Legal Aid Bill, that it laid the foundations for more widespread changes than was perhaps realised. Fundamental changes would not doubt be made in due course, either by him or some future Lord Chancellor.

In four successive terms of the Lord Chancellor's office, he went on, Lord Chancellors had presided over the fastest growing of all public services. The achievement was the more remarkable because all were operating in an economic climate of severe restraint of public expenditure in which legal aid had had to compete with education, health services, social security, the need to restrain taxation, and other calls on public purse.

In 1970 criminal legal aid was already well established, cost the country a net figure of about £5.3m. By 1980-81, the last complete year for which he had statistics, it cost £33m and the coming year it was estimated that it would cost just over £50m.

The green form scheme, legal assistance and advice, by 1974 was costing £1.3m. In 1980-81 it cost just short of £20m. In 1981-82 it was estimated that it would be just over £25m.

Criminal legal aid was the most expensive. By 1980-81 it cost £8.5m and it was estimated that in 1981-82 it would cost £100m. The economic climate, however, the chances of extending the coverage must be limited.

Mr Fowler: We are talking about five million visitors coming to this country. My predecessor set out a figure of £5m. That has been updated by inflation. The cost of the policy is not what it was. It is unlikely to be less than £7m net — the cost we receive back from hospital services is in the nature of £3,000m a year.

Dr Brian Mawhinney (Peterborough, C): Will he make sure that the five million are informed of the need to buy insurance before they come to this country so that we can avoid any difficulties of people trying to beat the system through claiming ignorance.

Mr Fowler: That is an important point. That is why the scheme will not be coming into effect until October 1.

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The Bill was confined to criminal legal aid for which he undertook responsibility only in July, 1980, in the wake of the Benson report. This Bill was only the beginning of a process of reconstruction which was likely to take several years to complete. There were five main problems connected with criminal legal aid. Together they amounted to an intractable degree of public control.

First, was an almost total absence of any effective merit test. It meant that many frivolous pleas could be put up with impunity at public expense. Second, was the absence at the time of grant of sufficient information to know whether the grant should be given or not.

Third, was the large number of time-wasting applications for change of public expenditure which applicants received somewhat unpalatable advice.

Fourth, was the absence of reliable information about the probable length of cases to allow for effective planning by the courts which inevitably led to wasted time as people waited for their cases to come on.

Fifth, was the actual structure of remuneration which was related to the length and conduct of the trial and hearing than to preparation for the trial and hearing. This could be improved it would manage to save expense to a considerable extent.

The Bill dealt with four main suggestions. The first was duty solicitors, the second the order of legal aid orders, the third the involvement of the Law Society's legal aid committees in some of the more serious criminal legal aid, and the fourth was contributions from defendants.

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Lord Elwyn-Jones, for the Opposition, said the most important part of the Bill, and the most controversial, was the proposed new scheme designed to levy contributions for criminal aid.

The Child Poverty Action Group thought the proposals would result in fewer poor families receiving representation in criminal cases.

It would be an appalling consequence if some limited saving resulted in a greater proportion of unrepresented convictions, with the defendants forced to plead guilty solely for financial reasons.

The position of an accused person in criminal cases was different from civil litigation and the time factor was pressing. Great care must be taken in any quick means assessment. It would be deplorable if, because savings were on the margin of ability to finance defence for their children, these children were unrepresented.

Lord Hailsham of St Marylebone said he hoped it would be possible to move an amendment to the Criminal Justice Bill removing the need for solicitors to attend on uncontested committals.

Many things about litigation were unsatisfactory, but they would be made more satisfactory in the immediate future.

The suggestions that legal aid should be available to parents in child care proceedings has given me considerable concern (he said).

The Bill was read a second time.

Mr Fowler: We are talking about five million visitors coming to this country. My predecessor set out a figure of £5m. That has been updated by inflation. The cost of the policy is not what it was. It is unlikely to be less than £7m net — the cost we receive back from hospital services is in the nature of £3,000m a year.

Dr Brian Mawhinney (Peterborough, C): Will he make sure that the five million are informed of the need to buy insurance before they come to this country so that we can avoid any difficulties of people trying to beat the system through claiming ignorance.

Mr Fowler: That is an important point. That is why the scheme will not be coming into effect until October 1.

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Faulds wants big arts ministry

COMMONS

The Arts Council tended to be the scapegoat for the Government's inadequate funding of the arts, Mr Andrew Faulds, Opposition spokesman on culture, said when opening a debate on the problems of the arts in the present economic climate.

He moved an opposition motion proposing the creation of a new Department of the Arts, to be known as the Department of the Arts and Heritage.

The new ministry would have its own departmental funding and a seat in the Cabinet.

Mr Faulds said: The arts are a part of our heritage and they are a source of pride and pleasure to all of us. They are also a source of income for many of us. They are a source of employment for many of us. They are a source of inspiration for many of us. They are a source of education for many of us. They are a source of entertainment for many of us. They are a source of information for many of us. They are a source of communication for many of us. They are a source of connection for many of us. They are a source of community for many of us. They are a source of culture for many of us. They are a source of creativity for many of us. They are a source of innovation for many of us. They are a source of progress for many of us. They are a source of peace for many of us. They are a source of justice for many of us. They are a source of freedom for many of us. They are a source of hope for many of us. They are a source of faith for many of us. They are a source of love for many of us. They are a source of life for many of us. They are a source of light for many of us. They are a source of truth for many of us. They are a source of beauty for many of us. They are a source of goodness for many of us. They are a source of kindness for many of us. They are a source of compassion for many of us. They are a source of empathy for many of us. They are a source of understanding for many of us. They are a source of respect for many of us. They are a source of tolerance for many of us. They are a source of acceptance for many of us. They are a source of inclusion for many of us. They are a source of participation for many of us. They are a source of contribution for many of us. They are a source of achievement for many of us. They are a source of success for many of us. They are a source of happiness for many of us. They are a source of joy for many of us. They are a source of peace for many of us. They are a source of justice for many of us. They are a source of freedom for many of us. They are a source of hope for many of us. They are a source of faith for many of us. They are a source of love for many of us. They are a source of life for many of us. They are a source of light for many of us. They are a source of truth for many of us. They are a source of beauty for many of us. They are a source of goodness for many of us. They are a source of kindness for many of us. They are a source of compassion for many of us. They are a source of empathy for many of us. They are a source of understanding for many of us. They are a source of respect for many of us. They are a source of tolerance for many of us. They are a source of acceptance for many of us. They are a source of inclusion for many of us. They are a source of participation for many of us. They are a source of contribution for many of us. They are a source of achievement for many of us. They are a source of success for many of us. They are a source of happiness for many of us. They are a source of joy for many of us. They are a source of peace for many of us. They are a source of justice for many of us. They are a source of freedom for many of us. They are a source of hope for many of us. They are a source of faith for many of us. They are a source of love for many of us. They are a source of life for many of us. They are a source of light for many of us. They are a source of truth for many of us. They are a source of beauty for many of us.



**You're thinking
of selling?**

**And you haven't
spoken to Sotheby's?**

King changed his mind, coup trial general says

From Richard Wigg, Madrid, Feb 22

A Spanish general, who formerly commanded the crack Brunete armoured division, and is now being court-martialled in connection with last year's attempted coup, asserted today that the attitude of King Juan Carlos had undergone a change after he allegedly sought assistance from the Army in an operation "to save democracy".

General Luis Torres Rojas was the second Army general at the trial here seeking to involve the King in the coup plot when defending himself from the charge of military rebellion for the events of February 23. The military prosecutor has demanded for him a sentence of 20 years imprisonment, and dismissal from the Army.

Units from the armoured division, stationed around Madrid, moved on the night of the coup attempt, taking over the state television headquarters and silencing programmes, and joining Colonel Antonio Tejero, who had occupied Parliament with almost 300 Civil Guards.

When asked by the investigating magistrate whether it would not have been more reasonable to have doubted first the version of the King's attitude given him by Lieutenant-General Jaime Milans del Bosch at a meeting before the coup attempt, General Torres replied in written evidence: "I would never put the words of General Milans in doubt".

The General claimed it was only when orders were received from the Madrid captain general at Brunete headquarters to withdraw the troops that he perceived the King's approach had changed.

General Torres claimed that General Milans had told him in Madrid on January 18 that King Juan Carlos judged Spain's situation as unstable and would be pleased if the Army "put the situation at his disposal", not by a coup or an uprising, but so

THE MEN IN THE DOCK

Lieutenant-General Jaime Milans del Bosch. Former captain general of Valencia and commander of the Brunete armoured division. Member of a military family going back five generations. Thirty years' imprisonment demanded by prosecution.

General Alfonso Armada, Marquis of Santa Cruz de Rivadulla. Former deputy chief of the Army and former tutor and secretary of King Juan Carlos. Thirty years demanded.

Lieutenant-Colonel Antonio Tejero. Led Civil Guards who entered Parliament while in session detaining 350 MPs for 19 hours. Thirty years demanded.

General Luis Torres Rojas. Former commander Brunete division and military governor of La Coruña at the time of the coup attempt. Twenty years demanded.

Colonel José Ignacio San Martín. Former chief of general staff of Brunete division and former intelligence chief under Admiral Carrero Blanco. Fifteen years demanded.

Major José Cortina. Former chief of operations section, intelligence service of the Ministry of Defence. Twelve years demanded.

Señor Juan García Carres. Only civilian on trial. Former Francoist trade union leader and personal friend of Colonel Tejero. Ten years demanded.

that the King might save democracy.

"The conversation centred on taking Parliament in an action always subordinate to the King and without any bloodshed", General Torres told the investigating magistrates.

On the third day of the trial, evidence centred on the key role the plotters allegedly assigned to the Brunete division to cover the capital and to back up General Milans putting his tanks into the streets in Valencia.

According to the prosecution, this role for the Brunete division was agreed between General Milans, who once also commanded Brunete, and General Torres at the January meeting, and the operational details were finalized the day before the coup attempt.

General Torres, the prosecution maintains, was the man in command in Galicia to take charge, for

the coup, of his old division from which he had been removed by the Suarez Government in 1980, pushing aside the commander.

General Torres denied in evidence ever giving orders for Brunete units to move on the capital, claiming they had been issued before he arrived at headquarters that afternoon by the general staff.

Colonel José San Martín, chief of the Brunete general staff, maintained he had "not sufficient information" when asked by the investigating magistrate why he had never told the commander, the operational role assigned to Brunete in the hours they spent together immediately before the coup attempt.

A similar reply was given by Major Ricardo Pardo, the division's chief of intelligence, who reported details of his meeting with General Milans in Valencia the day before the coup to the chief of general staff.



The jungle war on wheels

The small pleasures count in war; like taking the strain off the feet and putting it on a pair of wheels. This Thai soldier, at Ban Hin Taek in the north of the country, is a member of a motor cycle ranger team, selected from the

Thai voluntary defence force. Two men on each camouflaged motor cycle carry a rocket launcher (the missiles are under the man's right arm) and automatic weapons into the war against the rebels.

Singapore expels Russians for spying

From David Watts, Singapore, Feb 22

The Singapore Government today expelled two Russians for spying. The two men, a diplomat and a marine superintendent, were given 24 hours to leave the country, only two weeks after two Russians were expelled from Indonesia and the office of the Soviet Airline Aeroflot, was closed.

The diplomat expelled from Singapore is Mr Anatoly Larkin, a grey-haired, second secretary at the Soviet Embassy who acted as press attaché and was as well known for his immaculate, American-accented English.

The second man was Mr Alexander Bondarev, a Soviet marine superintendent attached to the Keppel shipyard in Singapore where a large number of Soviet and East Block vessels call for regular maintenance.

When the two men left Changi airport on a late-night Aeroflot flight to Moscow, a Soviet woman constantly harassed photographers trying to take pictures of the departing men.

A statement from the Singapore Ministry of Home Affairs said that Mr Larkin had been posing as Mr Anthony A. Toni, a Swedish national working as a journalist for a European newspaper. The ministry said that he had been trying to subvert a Singapore armed forces technical officer with offers of money for his cooperation in espionage. The officer reported the contact to his superiors.

Mr Bondarev, the ministry said, had been using a Singapore businessman as an agent since October 1979 as part of his intelligence network. Mr Bondarev, whose job was to oversee the repair of Soviet merchantmen in Singapore, allegedly promised the businessman deals in return for his cooperation. The Singapore Government has so far not named the businessman.

Though the Singapore Government has drawn no connection between today's expulsions and events in Indonesia earlier this month, unconfirmed reports have suggested that intelligence operations in Jakarta by the Soviet Union were to some extent controlled from Singapore. Unofficial sources have identified Mr Larkin as a KGB agent.

Singapore is the third country in South-East Asia to expel Soviet espionage personnel for espionage activities in less than a year.

In July last year, three Soviet embassy officials in Kuala Lumpur were identified as agents of the KGB and expelled from the country after the exposure of Mr Sidiq Mohamed Ghouse, an aide of the Prime Minister, as a Soviet agent.

Mr Ghouse had been political secretary to Datuk Sri Mahathir Mohamed, the Prime Minister, for seven years at the time of his exposure.

The principal figure in the allegations of espionage in Jakarta early this month was Lieutenant Colonel Sergei Egorov, who was ordered to leave the country after allegedly being caught red-handed in possession of documents and a camera which had been passed to him by an Indonesian naval officer, Lieutenant Colonel Sudaryanto.

Reports from Jakarta today said that the Indonesian officer had admitted passing secret information to the Soviet Union for five years, notably the results of joint Indonesian-American research on climatic and temperature gradients in the Strait of Makassar.

French are sick of boring 'new television'

From Charles Hargrove, Paris, Feb 22

France is sick of its television. If there is one aspect of government policy which is almost unanimously criticized, by the right and left, and by the ordinary viewer, it is the "new television" set up after the victory of the left last summer.

"Liberate news", the Communists clamoured at their congress earlier this month, and one of their leaders, M. Pierre Juquin, insisted that the media were trying to create bad blood between them and the Socialists.

"Deliver us from the ayatollahs of the left", the leading spokesmen of the right have lamented on their side.

The Socialists complain that the state radio and television do not explain the reality of socialist change properly, and concentrate on lost causes throughout the world but neglect the good causes and enlightenment of the public at home.

For its part, the public, is increasingly fed up. Every opinion poll confirms it. One of the latest shows that 68 per cent of viewers are dissatisfied with the new television. Their verdict is almost unanimous since May 10, programmes have become boring. What they object to basically is not that they are strongly slanted to the right or to the left, but that they are on the whole dull, culturally pretentious, technically poor, and increasingly addicted to preaching.

They bemoan the fact that the new masters of the three channels and of the state radio have suppressed many of their favourite newscasters, entertainers, and variety programmes, cut down the number of films shown, and substituted debates and symposia or "educational" films, on social or political problems, at the peak viewing time, after dinner, when, in the Prime Minister's own words, "one returns home harassed from a day's work and prefers to look at something else."

A few months ago, sets began being switched off. Letters of complaint to the President and Prime Minister's offices pour in. M. Jacques Barrot, a former Gaullist minister, and other opposition leaders have taken the initiative of setting up associations for the defence of television viewers, whose membership is snowballing.

On the radio, M. Georges Fillol, Minister for Communication, admitted that the discontent was "real and broadly justified."

When the left came to power, it was in no hurry to grasp the nettle of reform of the state-controlled media.

But President Mitterrand has become aware of the need to step up the pace of change and has held several meetings in the past fortnight with the Prime Minister and ministers concerned of the drafting of a new statute for the state radio and television.

France's overseas broadcasting station is planning a big expansion in the 1980's to make the country's voice heard round the world, in sharp contrast to the current contractions of the BBC's external services. (Jonathan Fenby reports.)

A report drawn up by M. Hervé Bourges, who became director of the Radio-France Internationale network at the end of last year, lays particular emphasis on broadcasting to the developing nations. He plans to double the number of programmes from 40 and to raise daily programming from 125 hours to 700.

NEWS IN SUMMARY

Saharans attend OAU talks

Addis Ababa.—The Western Saharan state declared by the Polisario Front was officially admitted to the Organization of African Unity meeting for the first time.

The delegation, led by Mr Ibrahim Hakim, sat between Nigeria and Rwanda at a place specially marked for it at the 24th annual meeting of Ministers meeting here.

Their arrival prompted a walk-out by the Moroccan delegation. Twenty-six OAU members, a majority of the 50 nations, have recognized the Saharan state.

Pol Pot still in poor health

Mr Pol Pot, the leader of the deposed Khmer Rouge regime who has recovered from the high blood pressure for which he was treated in hospital in Bangkok. But his health is still poor, according to diplomatic sources.

The name of the hospital which treated Mr Pol Pot, generally believed to bear most responsibility for his recovery in Cambodia when his regime was in power, is unknown.

Somali troops 'shot 10 dead'

Djibouti.—Travellers arriving from northern Somalia said that at least 10 people were killed and 40 wounded when Somali troops fired into a crowd of demonstrators in the city of Hargeisa.

They said the demonstration took place outside a court where 37 teachers and students were charged with producing or distributing seditious pamphlets.

Troops armed with automatic weapons opened fire on the demonstrators when they attempted to break into the building.

Officer accused of terror links

Rome.—Police have arrested a senior carabinieri officer in connection with inquiries into extreme right-wing guerrilla activities, judicial sources said.

Major Sergio Vecchiom, a liaison officer with the Rome crime squad and former commander of the carabinieri company at Trivoli, outside Rome, was arrested last week and charged with aiding and abetting an armed gang.

Jesuits in suspense

From Peter Nichols, Rome, Feb 22

The Pope summons his shock troops

There is an atmosphere of suspense as about 100 leading Jesuits gather here from all over the world to be told why the Pope decided to take personal control of the Roman Catholic Church's most powerful religious order.

The Pope's intervention was unprecedented. He appointed a personal delegate to lead the order sweeping aside the interim arrangements made by the Jesuit general, Father Pedro Arrupe, a Spaniard, who had suffered a stroke.

After his illness, Father Arrupe appointed his deputy the Father Vincent O'Keefe, an American. The Pope not only overturned those arrangements, but made clear that his action expressed his lack of confidence in Father Arrupe's government of the order.

There can be no doubt that the Pope and the general were personally out of sympathy, but the issue seemed to have great importance in the way the Catholic Church intends to tackle modern problems especially the issue of social justice in Latin America.

This Pope is not the first to feel concern about what the Jesuits are doing but he is the first to have disciplined the order. He is said today to

feel some relief that the protest from Jesuits are fewer than he expected.

The first step towards the present unhappy situation was Father Arrupe's decision to make use of a rule recently introduced into the order's statute and to resign.

Hitherto, every general in the order's history was elected for life. Father Arrupe's intention was to go on until his seventy-fifth birthday which falls next November. In order to resign he had to submit a general congregation of the order, which normally takes about a year to prepare.

In June, 1980, he informed the Pope of his decision as a matter of courtesy. The Pope responded by instructing him to withdraw his resignation and to halt arrangements for calling the congregation.

The two men met twice to discuss the position before the Pope was seriously wounded in May. August Father Arrupe suffered his stroke. One of the Pope's first acts after his own recovery was to deal with the Jesuit question by nominating in October an 80-year-old Jesuit, Father Paolo Dezza, his personal delegate with another Italian, Father Giuseppe Pittau, to help him.

The delegates powers were

wide. In the Pope's own words he was to "represent me more closely in the society, look after the preparation of the general congregation, to be called in due time, and also in my name and by my appointment superintend the government of the society until election of a new superior general".

At this point a Jesuit proud of the order's international standing remarked: "Only a Polish Pope could replace a Spaniard and an American by two Italians." Father Arrupe was not only ill, but clearly superseded. In the words of an American Jesuit this humiliation happened to "perhaps the best loved general in the order's history."

He was an indefatigable traveller though his journeys were quietly organized and given little or no publicity. He led the order through the postconciliar crisis which struck all the religious orders, and saw the Jesuits reduced in numbers from 36,000 to 29,500 in the decade from 1965. There are now about 26,000 Jesuits working in more than 100 countries.

Father Arrupe was taken ill in August at Rome airport on his return from a visit to the Far East. His last task before his illness was to a group of Jesuits in Bangkok.

He talked about Latin America: "Should we help spiritually the guerrillas in Latin America? No? Well, I cannot say no. Perhaps I have said it, but they are men, souls suffering."

The West criticized by Gandhi

From Kuldip Nayar, Delhi, Feb 22

The first Third World meeting of 44 developing nations opened here today without any fanfare; even the press was kept out.

The three-day meeting was opened by Mrs Indira Gandhi, the Indian Prime Minister, who had written to the selected under-developed countries to consider the progress made after the North-South summit meeting in Cancun, Mexico. There had been visible deterioration in the global economy since then.



Father Arrupe: Help for the poor man.

"If you have a wounded person, even if he were a guerrilla, you have to help him. That is the meaning of being a Good Samaritan. Is that political? People say so. No."

"Now I am a priest. I am helping this poor man here. I don't care if he were a guerrilla, a religious or a non-Catholic. He is a poor man. He is a poor man who is suffering."

Developing countries, trying desperately to increase their export earnings, were the principal victims, she said; they suffered the most from the decisions of the few who dominated the world.

Mrs Gandhi made the same point later at the ceremony honouring President Julius Nyerere of Tanzania with the Third World Foundation award. She said that "to save a hundred jobs in an advanced country, a decision may be taken which sentences a thousand families to hunger in a far-off land".

Immediate, temporary profit to a handful in one part of the globe meant misery to millions elsewhere.

President Nyerere echoed those thoughts, but gave a warning that "disaster can befall the Third World if it continues to try to catch up with the North". Instead, through self-reliance and organized cooperation on a "South-South" basis they could, "even in the existing adverse economic circumstances", promote their "declared national objectives".

Age bias grows in US firms

From Our Own Correspondent, New York, Feb 22

Age discrimination has become a significant cause of dismissal, demotion and forced retirement in the United States in the past two years. Formal complaints of age discrimination have increased by 75 per cent since 1971. The most vulnerable people are in their fifties.

A Congressional select committee on aging has identified the trend in a report to be published this week and already there are moves to make it illegal to force anybody to retire at any age.

Mr Claude Pepper (Democrat, Florida), chairman of the committee, said "Age discrimination has oozed into every pore of the workplace. It stalks mature workers and severs them from their livelihoods, often at the peak of their careers."

He has introduced legislation to ban mandatory retirement, irrespective of age. Under existing law nobody aged between 40 and 70 can be compelled to retire because of age. His Bill also seeks to require employers to continue making pension payments and providing life assurance at the same rate to workers who exercise the option to stay on beyond 65.

The committee is considering proposals to require employers to submit information about the age of workers.

The most likely explanation for the increase in age discrimination is the 1978 ruling that workers cannot be forced to retire until they are 70.

Wallenberg case revived

Geneva.—Mrs Nina Lagergren, sister of Mr Raoul Wallenberg, the Swedish diplomat arrested by the Soviet Army after it entered Budapest in January, 1945, said that according to indications coming out of the Soviet Union he was seen last year in a mental hospital. She is here because the case is to be raised by the Swedish delegation when the 43-nation United Nations Human Rights Commission starts discussing missing persons this week.

She said the family believed that Mr Wallenberg, who was born in 1912, was possibly moved from place to place within the Soviet Union. A prisoner who had been in a mental hospital near the Sino-Soviet frontier had reported meeting "a Swede" there in 1978.

Deng rumours suggest swing against him

From David Bonavia, Peking, Feb 22

Unofficial reports that Mr Deng Xiaoping will resign his post as vice-chairman of the Communist Party later this year may reflect growing opposition to his liberal economic policies, experienced observers in Peking believe.

The Foreign Ministry has dismissed the reports as "rumour-mongering," but another official Chinese source said Mr Deng's resignation at the next congress of the party would be normal procedure. Mr Deng is 77, and is pushing through a campaign for timely retirement of over-age officials.

The People's Daily today published two sharp attacks on consumerism, which has been the core of the economic policy implemented by Mr Deng and his supporters over the past two or three years.

The party organ said people were eating too much and demanding too much in the way of consumer goods and housing, so that not enough was being saved for capital investment.

The State Council, meanwhile, has ordered a sharp cut in production of such favourite items as bicycles, sewing machines, watches and clocks, which it says are being over-produced, although they are still in great demand. There is also discussion of the relative importance of economic planning and market forces.

Mr Deng recently disappeared from public view for

more than five weeks, prompting speculation that he had been ousted from his public activities to receiving foreign guests.

It has been officially stated that Mr Deng, until recently considered the most authoritative of all the leaders, is now in the second rank of leadership, in a consultative role.

His policy of "readjusting" the national economy to boost production of consumer goods and food at the expense of steel and other heavy industries, has been controversial.

The Chinese Government has decided to free all low-ranking Kuomintang (Nationalist Party) civil or military officials still being held in China, Chinese television announced today. (AFP reports.)

In 1975 Peking declared several amnesties covering former Kuomintang leaders military officials and agents who had been held since the Communist victory in 1949.

Today's television report said that those to be freed now were "all former Kuomintang party, government, army, and secret service officials below the rank of county head or colonel."

The government decision is to be submitted for approval to the Standing Committee of the National People's Congress next meeting in Peking, the report said. It did not say how many people would be affected by the amnesty.

Now we're really in the driving seat.



When the Government announced its intention of selling off the more profitable nationalised industries, understandably we were very excited.

Here was the opportunity to become our own boss.

The snag was we had to raise £53.5m.

A hefty sum in anyone's currency.

However, rising to the challenge, we pulled off what is probably the single largest employee buy-out in Europe.

As of this week, therefore, we are a fully independent, private company.

But you'd be wrong to think that as a result there will be huge organisational changes.

We will simply continue to apply those principles that have made us so successful across every aspect of our

business: Contract Hire, Truck Rental, Distribution and Warehousing and General Haulage.

And because it's a formula that works, the regional structure of the company will remain the same.

In fact, the phrase that seems most appropriate is 'business as usual'.

Which isn't a bad one since recently business has been unusually good.

Last year was a record one for us. While this year all the signs are that we'll do even better.

But our success isn't merely the result of our many years on the road. It's come from a dynamic, pioneering attitude towards transport and distribution.

An attitude that's manifested in our Datafreight, Transcard and Consultancy services.

So this should be read not simply as a reassuring word to our public now that we've gone private.

But as an invitation to anyone with a transport and distribution problem who feels they can benefit from the long experience of Britain's newest company.

Please supply me with further information on:

<input type="checkbox"/> Contract Hire	<input type="checkbox"/> Truck Rental	<input type="checkbox"/> Datafreight	<input type="checkbox"/> BRS Rescue	<input type="checkbox"/> Warehousing
<input type="checkbox"/> Distribution	<input type="checkbox"/> Transcard	<input type="checkbox"/> Consultancy	<input type="checkbox"/> Engineering	<input type="checkbox"/> Trailer Rental

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Position _____

Company _____

Address _____

Tel. Number _____

Send to: Group Sales and Marketing Director, British Road Services Ltd., The Merton Centre, 45 St. Peter's Street, Bedford MK40 2UB. Tel. (0234) 67444.

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Group of Companies

Israelis to seek reassurance on Cairo links

From Christopher Walker, Jerusalem, Feb 22

The Israeli Government will be pressing President Hosni Mubarak to agree on a date for his first official visit to Israel during a three-day trip to Egypt by Mr Yitzhak Shamir, the Foreign Minister, which began tonight.

There has been widespread diplomatic speculation that the Egyptian leader might be deliberately postponing his promised visit because of fears that Israel is on the brink of launching a new invasion of southern Lebanon, which could seriously embarrass him in the rest of the Arab world.

A senior Israeli official said today that there had been "slippage" in the timing of the visit, which has been provisionally planned for February. But he flatly denied local newspaper stories that the difficulties had arisen because of President Mubarak's reluctance to include Jerusalem in his official itinerary.

Mr Saad Mortada, the Egyptian Ambassador to Israel, sought to dispel Israeli concern during an interview with Israel radio today. He expressed confidence that Mr Mubarak would go ahead with his trip, adding the rider that the one circumstance which might affect it would be conflicts involving "the security of the region".

Mr Shamir's long-planned visit to Cairo has taken on new significance as a result of the grim warning about the prospect for Israeli-Egyptian relations after Israel leaves Sinai in April contained in the recently leaked account of remarks by Mr Alexander Haig, the United States Secretary of State.

According to the Washington Post, Mr Haig told a private staff meeting on January 9 that after April "Egypt will be back to the Arab world with the United States isolated as Israel's sole defender".

Israeli sources have confirmed that one of Mr Shamir's main aims in talks with President Mubarak and Mr Kamel Hassan Ali, his Egyptian counterpart, will be to clarify the position after April 26. Particular reference will be made to the implications of Egypt's declared

aim of gradually returning to the Arab fold.

Mr Shamir also plans to express Israeli concern about what is alleged to be the slow pace of normalization of relations. He will make a number of suggestions for improvements, including the field of cultural exchanges, and close ties between Israeli and semi-public Egyptian institutions such as universities and trade unions.

The other main subject due to be discussed will be the continuing deadlock in the talks on Palestinian autonomy. But Western observers see no prospect of significant movement, at least until Mr Mubarak and Mr Menachem Begin, the Israeli Prime Minister, meet.

During Mr Shamir's talks, final dates for the opening of an Israeli consulate in Alexandria and an Egyptian consulate in the Israeli port of Eilat are likely to come up.

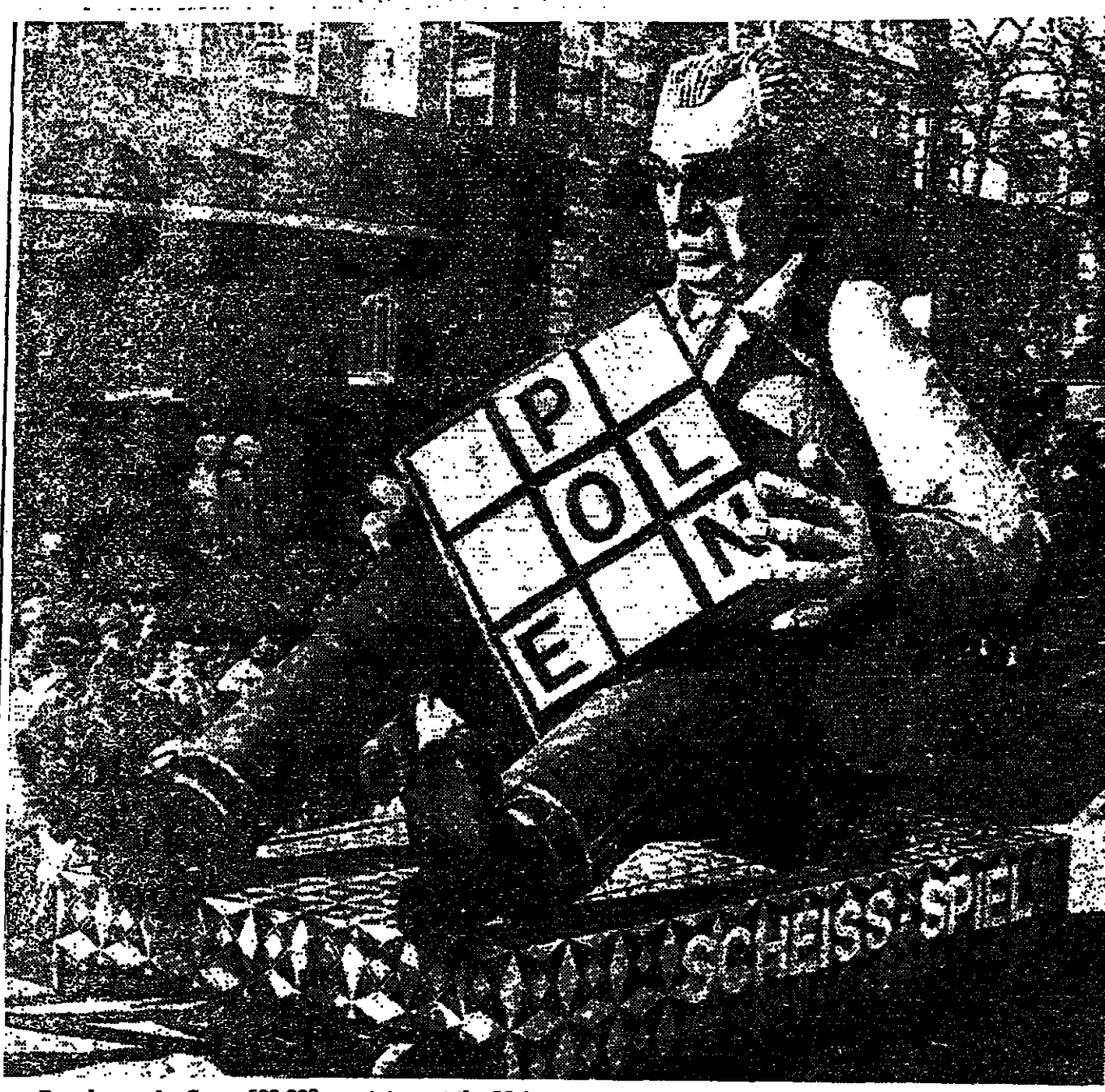
□ Cairo: Egypt today declared that it would welcome restoration of relations with Arab countries, but said this never be at the expense of peace with Israel (Our Correspondent writes).

Although a reiteration of Egypt's position, the declaration, by Mr Ali, the Foreign Minister, coincides with fears in Israel that Egypt may be less friendly after the withdrawal from Sinai.

Mr Ali's statement, made during a speech to Parliament's foreign relations committee, also coincides with efforts, reportedly being made by Oman, to reconcile Egypt with other Arab countries.

"We welcome the restoration of relations with Arab countries, but it must be on logical basis," Mr Ali said. "They (the Arabs) cannot impose preconditions, nor can we accept any modification on our policies towards peace. Our choice of peace with Israel is a permanent one. It is the will of the people of Egypt, and we will continue the process."

Eighteen Arab countries severed relations with Egypt after it signed the 1979 peace accord with Israel in March 1979. Only Oman, Sudan and Somalia have supported the Egyptian move.



Parade puzzle: Some 600,000 spectators at the Mainz rose carnival were treated to this float of President Brezhnev holding a Rubik cube marked "Poland"

Poland: An actress's dilemma

From Roger Boyes, Warsaw, Feb 22

The day Kafka came to breakfast

It had been a pretty average morning for Krystina Janda, Poland's leading actress, heroine of Andrzej Wajda films (*Man of Marble*, *Man of Iron*, *The Conductor*). Oscar nominee and co-star with Sir John Gielgud. First, her daughter came home from school to collect some slippers for a friend ("but Mama, you know she can't buy any," the cat had just drunk her tea made with milk imported from the West, and the secret police rang).

At least, that was what we assumed. We had been in the middle of a whispered conversation about how to smuggle *The Times* into a closed showing of the probably about-to-be-banned, never-released film, *The Interrogation*, when the phone trilled.

"No, I don't know you," Miss Janda tells the receiver. Yes there is a Western reporter in the flat. Yes, so what? What do you want?

After a while, the phone goes dead, and Kafka and Orwell join us at the breakfast table. "And people wonder why we're paranoid," she says, half-puffing, half-chewing her cigarette. Then, loudly, for the benefit of the presumed microphones: "You'd better write about: I want to stay in Poland, make good films for Poland. I don't want to run away." A muffled laugh. Plays well to hidden audiences, I put down in my notebook.

She is fair, if I were a secret policeman, I don't think I would be keen on *The Interrogation*. It is set in Stalinist post-war Poland, and features a woman who ends up, more or less by accident, as a victim of the secret police.

She is arrested, held in Rakowiec prison (which even now houses political prisoners) and subjected to torture. "She doesn't try to judge anything, keeps to a moral code, does not judge her torturers," according to Miss Janda, who plays the heroine.

The film is perhaps a little too, how should we phrase it, contemporary? No, Miss Janda says. "It is not just a political story, but the simple story of a girl who tries to preserve her integrity under the most difficult circumstances."

It is improbable, to put it mildly, that the authorities will allow this film to be released. Some officials in the Ministry of Culture have seen the rushes and like it. Miss Janda says, but the Interior Ministry has yet to approve the film.

The Interior Ministry is not regarded as a bastion of liberal values. It might even

dislike having its former colleagues, Interior Ministry officials of the 1950s, portrayed as torturers.

This seems to raise important questions. How is it possible to continue functioning as an artist in Poland and preserve one's integrity?

Miss Janda regards *The Interrogation* as her best film, her best creative performance. Yet it may never see the light of the day, apart from the closed showing to the production team, and the various showings for the people from the Interior Ministry.

How will she be able to function in future, what

degree of compromise with the system is permissible? "I can tell you that neither Andrzej (Wajda) nor myself will put our names to films that we are ashamed of, that we do not have pride in."

But Miss Janda admits that integrity is a luxury. She knows of many actors who have wives and children, who earn only a fraction of her salary, who to live will have to conform to the New Morality. "For six months or so, I do not have to make a decision about working in Poland. I have contracts and above all I have money which allows me to choose. I can wait for an answer to the moral questions."

Life, though, is not quite as simple as all that, even for an actress with the relative immunity conferred by an international reputation (neither she nor Wajda were interned, contrary to initial reports in the West).

She is supposed to film in France on March 1, has a passport valid until the end of July, but cannot abandon her nine-year-old daughter. The authorities are delaying the issue of a passport for the daughter, feeling, perhaps, that she would be a useful guarantee of Miss Janda's return to Poland. The Government is somewhat sensitive about defections, and the loss of Miss Janda would be a big blow.

"I can't speak for Wajda, nor formally, but I know that he and I are agreed: we want to go on doing good work in Poland. That means no political activism."

There is something rather stifling nowadays for an artist who has done her best work in Solidarity's Poland, when artistic freedom was used as a way of rolling back political boundaries. For the moment, it is a matter of putting on a brave face and waiting. There was all-round agreement that the recent Japanese concessions on lifting tariff barriers were too small to make any real difference to the problem.

However, France and Italy strongly opposed the Commission in that the GATT procedure should be used in an attempt to force Japan to admit European goods more easily. In the French view that method could take two or three years, and the market was much too urgent.

British argued that it was wrong to jump in too quickly. "We don't want to take quick decisions and get them wrong," Mr Humphrey Atkins, the Lord Privy Seal, said.

He said Japanese leaders would have to agree to a change in their policy if the market were to be opened up in the way Europe wants.

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Mr Tindemans spoke of building bridges with the United States in a grand scheme of a more permanent and institutionalized dialogue. He felt it was necessary to have a real forum in which Europe could meet the United States.



Krystina Janda: "Time to abandon doubts".

KURDS IN SECRET PARIS TRIP

By Hazhir Teimourian

Leaders of Iran's two Kurdish political parties, whose guerrillas are fighting the Tehran Government are making clandestine visits to Paris for talks with exiled Iranian leaders there.

Dr Abdollahman Qassemloo, leader of the Kurdistan Democratic Party, is in Paris at the same time as his Marxist rival, Dr Ja'far Shafiee, of the Komalah party.

Dr Qassemloo, who commands an estimated 11,000 full-time guerrillas, said that he would be holding discussions with former President Bani-Sadr, and Mr Massoud Rajavi, leader of the Mojahedeen guerrillas, on the future of the National Resistance Council which he (Dr Qassemloo), joined recently.

Asked whether Mr Bani-Sadr still enjoyed support within the officer corps of the Army, Dr Qassemloo said a great number of officers disliked, in their hearts, the retrogressive system imposed upon Iran by Ayatollah Khomeini, the revolutionary leader, but in the absence of political freedom in the country, he could not say to what extent such officers might now support the former president.

The story unfit to print

From Peter Watson, New York, Feb 22

The motto of the *New York Times*, emblazoned on its front page every day, is the legend: "All the news that's fit to print." Today, alas, that motto seems ironic for the fit to print below it the article about the news that one of its own stories, a long account by a freelance journalist about a trip with Khmer Rouge guerrillas in Cambodia, was a fabrication.

The writer never went to Cambodia and made up the story using his imagination and material gathered on earlier trips a year before. The *New York Times* thus joins the Washington Post and the *New York Daily News*, each of whom, in the past year, has admitted to publishing fraudulent stories.

The *Times* story appeared in its colour magazine on December 20 last year. Headlined "In the land of the Khmer Rouge", the nine-page article was written by Christopher Jones, a 24-year-old freelance writer living in Spain.

In the article Mr Jones described vividly his visit last year to Khmer Rouge territory. He included scenes of ragged fighting, meetings with top Khmer leaders and an episode in which he guerrillas told him how they always kept their last grenade for themselves because "if the 'Youns' take us (the 'Youns' meaning savages, or

Zimbabwe tightrope

Mugabe's gamble looks a winner

From Michael Hornsby, Salisbury, Feb 22

Mr Robert Mugabe, the Zimbabwe Prime Minister, appears for the moment to have got away with his bold strike against Mr Joshua Nkomo, leader of Zapu, the main political rival to the Prime Minister's own Zanu (DF) party. But the cost to the longer-term unity of the country remains to be assessed.

The country has been remarkably calm since the dismissal of Mr Nkomo and three other Zapu ministers from the Cabinet of National Unity last week and there has been no eruption of popular support for the "old lion" of Zimbabwe, who has retired to lick his wounds in his home town of Bulawayo.

Even more important, from Mr Mugabe's point of view, is that the still fragile integration of the former Zanu and Zapu guerrilla forces in the new national army of Zimbabwe seems to be holding, despite the severe strain and tension of the past few days.

The breach between the two men, none the less, looks irreconcilable, and Mr Mugabe seems to be gambling on the emergence of a younger generation of leaders within Zapu who will be prepared to go along with Zanu's plans for the formation of a one-party state.

There is some evidence of demoralization in Zapu's ranks and file and disenchantment with Mr Nkomo's leadership. It is possible that younger members of the party will feel that fully-fledged union with Zanu would be more rewarding than opposition or the role of ineffectual junior coalition partner.

Naturally enough Mr Nkomo and his close associates see this tactic as doomed to failure. "This is a major crisis, and it cannot be solved without Mr Nkomo", Mr Josiah Chinamano, the vice-president of Zapu, who was dismissed as Minister of Transport along with Mr Nkomo, said in an interview here today.

Mr Chinamano said he wanted to continue working for the unity of the country, but it was "very wrong of the Prime Minister to assume that he can split Mr Nkomo from the party. You cannot talk in terms of Zapu without Mr Nkomo. You cannot work with Zapu without his head."

The first test of Mr Nkomo's position will be a meeting of the central committee of Zanu originally scheduled for Bulawayo on Wednesday, but which may now be held in Salisbury on Saturday. It is expected that the committee will urge the three remaining Zapu members of the Cabinet to step down in solidarity with their

stricken leader, and the indications are that two of them will do so.

The two, Mr Daniel Ngwenya and Mr John Nkomo (no relation), were not dismissed by Mr Mugabe, and have hesitated about following their sacked colleagues into the ranks of the opposition, suggesting that loyalty to Mr Nkomo is not unquestioned. The third remaining Zapu cabinet member, Mr Cephas Msipa, the deputy Minister of Manpower, has said he intends to stay on.

The run-down to the present crisis, most observers here believe, began with a meeting of Zanu's central committee last December at which a decision was taken to step up the campaign for a one-party state, reflecting a familiar African bias against multi-party politics.

In populist speeches last month, Mr Mugabe revived the one-party state issue, after having dropped it for some time, in highly partisan terms, declaring that Zanu would position "them" on destroying the "country" would be smashed.

Mr Nkomo responded by denouncing all talk of the one-party state and of merging Zanu and Zapu as "renegade" and "relations between the two men reached a crisis at an angry meeting on February 5. On the following Sunday the unearthing of large caches of weapons on Zapu-owned farms was announced.

It seems fair to say that to some extent Mr Nkomo was "framed" inasmuch as there is little doubt that the Mr Mugabe and his lieutenants were well aware of the existence of the arms, most of which were brought back in early 1981 from Zambia, where Mr Nkomo was based during the last stages of the guerrilla war, and supplied by the Soviet Union.

It is frankly difficult to accept the claims of Mr Nkomo and other Zapu leaders that they knew nothing of the caches. More convincing is the explanation of party sources and former guerrillas that the arms were brought back in an insurance policy against a possible future attempt by Mr Mugabe to proscribe political opposition by armed force.

Most of the arms were buried during and after a serious outbreak of fighting between former Zanu and Zapu guerrillas at garriens in Bulawayo a year ago, which was only quelled by the intervention of old Rhodesian Army elements and the white-piloted air force. The Zapu elements suffered the highest casualties.

French ask for Japan trade curb

From Ian Murray, Brussels, Feb 22

European foreign ministers today sniffed warily round ideas for talking on more equal terms with the EEC's two big trading rivals, the United States and Japan. The subject proved too difficult and delicate for any immediate decisions, but there was strong pressure, notably from France, to act quickly to protect European interests. Next month's meeting is due to make definite proposals on the issue.

The ministers studied the latest proposals by the European Commission for trying to force open the very tightly closed Japanese market to EEC goods. There was all-round agreement that the recent Japanese concessions on lifting tariff barriers were too small to make any real difference to the problem.

However, France and Italy strongly opposed the Commission in that the GATT procedure should be used in an attempt to force Japan to admit European goods more easily. In the French view that method could take two or three years, and the market was much too urgent.

British argued that it was wrong to jump in too quickly. "We don't want to take quick decisions and get them wrong," Mr Humphrey Atkins, the Lord Privy Seal, said.

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Prisoners of conscience



Chile: Pablo Fuenzalida

By Caroline Moorehead

On the evening of December 10, 1981, Chilean church leaders, representatives of various human rights groups and an number of foreign diplomats attended a reception at the Commission for Human Rights in Santiago to celebrate both its third anniversary and the United Nations Human Rights Day.

One of the guests was Pablo Fuenzalida, the commission's regional head and one of the most prominent Chilean human rights lawyers. As he left the building at 9pm he was arrested by plain clothes policemen.

He is the first to a secure detention centre. Two days later a writ of habeas corpus was presented on his behalf to the First Santiago Appeals Court, which ordered the director of the secret police (CNI) to disclose his whereabouts. The court also ordered that a doctor attend Señor Fuenzalida, who suffers from an illness requiring four hourly medication.

On December 14 six people, among them Señor Fuenzalida, were brought before the military prosecutor and accused of membership of the banned Christian Left Party. Señor Fuenzalida had not received any medicine and he and two others showed signs of severe torture.

After the military prosecutor decided there was not enough evidence to press charges of possession of illegal arms, they were handed over to the Santiago Appeals Court, which formally charged them with "illegal association".

The detainees have been refused bail. After what may be a long period in prison awaiting trial, they face internal exile, imprisonment or expulsion from the country.

NEWS IN SUMMARY

£35m drugs haul in New York

New York. — Herion with a street value of about £35m has been seized at a waterfront warehouse in New York, one of the biggest hauls since the "French connexion" seizure in 1973 (Christopher Thomas writes).

Mr Bruce Jensen, head of the New York office of the Federal Drug Enforcement Administration, said that suspicions were aroused by the discovery of 115lb of herion concealed in eight of 13 Espresso coffee machines shipped from Naples.

The drug was replaced by quinine and watched. That led to a raid on the warehouse and the arrest on Saturday of an Italian resident in the United States. Further arrests are expected.

Spy charge to be dismissed

Washington. — The United States Court of Military Appeals has ordered the Air Force to dismiss espionage charges against Second Lieutenant Christopher Cooke, the Titan missile officer accused of conveying secret information to the Soviet Union.

In a two-to-one ruling, the court said that the Air Force had denied Lieutenant Cooke's due process by promising him immunity in return for a full confession, then attempting to prosecute him.

Mr Koch seeks governorship

New York. — Mr Edward Koch, the mayor of New York, is to be a candidate for governor of New York State. His announcement ended almost a month of speculation about his political plans.

Governor Hugh Carey's decision not to seek reelection, coupled with the Reagan budget, had led him to reconsider his statement that he never intended to contest any office other than mayor, Mr Koch said.

Geneva visit by Dr Runcie

Geneva. — The Archbishop of Canterbury, Dr Robert Runcie, began a week of talks with heads of international organizations here with a visit to the office of the United Nations High Commissioner for Refugees.

He will also meet officials of the International Red Cross and the International Labour Organization before spending the rest of the week with officials of the World Council of Churches.

Battle to retain the Sinai

From Our Own Correspondent, Jerusalem, Feb 22

Militant Jewish settlers in the occupied West Bank and Gaza Strip have published details of a scheme to transfer about 3,000 of their number to Sinai to prevent the handover to Egypt due on April 26.

According to the Hebrew magazine, *The Point*, which circulates privately among the settlers, 612 families are to move to Sinai from 37 different West Bank and Gaza settlements. They will be joined by 260 students from religious colleges attached to four of the largest settlements.

Questioned about the scheme, today, Dr Yehuda Ben-Meir, Israel's deputy Foreign Minister, pledged that the Government would uphold its treaty obligations to remove all settlers from the area before the handover, despite its reluctance to prevent the newcomers moving in.

In addressing a seminar on the political implications of the withdrawal, Dr Ben-Meir added: "Today, Yamit (the main Sinai settlement) is still under Israeli control and anyone can come and live there." "The Government's position is that it would be wiser for all concerned given the emotions aroused by the issue — not to involve itself in a long drawn out confrontation for a period of months."

The minister, a member of the National Religious Party, also defended the Government's decision to allow the illegal squatters now moving into the Sinai access to essential services.

Mr Israel Harel, Secretary-General of the Jewish settlers' Council in the West Bank and Gaza, told *The Times*: "The published figures indicate the number of families allocated from each settlement to move to the Sinai. We have had to disallow some of the volunteers because we cannot afford to leave any of the settlements empty."

In addition to the move of settlers, the militants are planning to organize 15 new educational institutions in occupied northern Sinai and private transport to enable the newcomers to commute back to jobs inside Israel proper.

In political circles, the scheme is seen as posing a serious new challenge to the coalition Cabinet, which has so far done nothing to evict the 1,500 Jewish militants who have already moved into the disputed area. An opinion poll published by the *Jerusalem Post* showed only 17.6 per cent in favour of allowing settlers to move into Sinai as against 78.2 per cent who would oppose.

Oriana Fallaci's exclusive interview with Mieczyslaw Rakowski, deputy Prime Minister of Poland: part 2 on Walesa and his son's defection

Believe me, Walesa is not treated as a fifth grade underdog

In yesterday's extract from Oriana Fallaci's interview with Mieczyslaw Rakowski, he described how the decision was made to impose martial law in Poland. Today they return to Solidarity, the underground of Lech Walesa, how the Americans have reacted and the defection of Rakowski's son Arthur after the imposition of martial law.

Mieczyslaw Rakowski: As you know, I was the one who negotiated with Solidarity. I was the one who had launched the idea of partnership. I believed in it so. But at the end of August when the spokesman for Solidarity, (Janusz) Onyszkiewicz, was asked about the partnership at a press conference, he answered: "What partnership? Such a word does not exist." Then I understood that this was the end of a belief, the burial of an idea. I said to myself that maybe I had trusted them too much, maybe they had never had the intentions I attributed to them, maybe since the beginning they had been preparing themselves for a confrontation aimed at taking power, and I declared to the Polish news agency: "The partnership is over." But Jaruzelski said: "Try again." I tried again.

We tried again, while the country was shaken by strikes, tensions, demonstrations, walkouts, or any appeal was considered a meaningless sound. See the map on that wall? It was literally covered with little flags, each flag a strike. You don't know what it means, because you live in New York where the shops are overflowing with food, merchandise and you can buy all you want. But here in August 1980, when Solidarity was born, there was still something to buy in our shops. In August 1981 there were empty. Production had fallen by 25 per cent, coal output had declined by 30 million tons, food was in short supply. We had become the beggars of Europe and no one wanted to buy in our shops. In August 1981 there were empty. Production had fallen by 25 per cent, coal output had declined by 30 million tons, food was in short supply. We had become the beggars of Europe and no one wanted to buy in our shops. In August 1981 there were empty. Production had fallen by 25 per cent, coal output had declined by 30 million tons, food was in short supply. We had become the beggars of Europe and no one wanted to buy in our shops.

Oriana Fallaci: It was a revolution, Mr Rakowski. A spontaneous revolution. **Rakowski:** We call it counter-revolution. **Fallaci:** And when in the hell did you make a revolution? Yours was not a revolution, it was a taking of power made possible by a dirty trick of Stalin's. **Rakowski:** You are an anarchist. You are an anarchist. **Fallaci:** If you like. But let us not argue about that. Let us be sure to have understood well two points. If martial law had not been imposed, you told me, the civil war would have burst out and the Soviets would have intervened.

Rakowski: I prefer to say the folks of the Warsaw Pact. **Fallaci:** All right, forces of the Warsaw Pact. Well, maybe you did not do the job for them, but you certainly did it out of fear of them. Or should I say out of zeal? **Rakowski:** Neither one nor the other. We did it out of wisdom.

Fallaci: Let's say out of Yalta, out of those two which divide the world. Now your relations with the Soviet Union must be very good indeed. No more warnings, no more threats, no more insults. **Rakowski:** I am a very convinced advocate of strict ties with the Soviet Union. I firmly believe that our place is on the side of the Soviet Union. Of course I have my national pride, I want to be independent and to be treated as an equal. But I say that Poland should stay very close to the Soviet Union. I am a realist, not only as a Communist. The Russians are Slavonic people, they are rich, they represent a tremendous market. We need them. Where else would we get the raw materials we need from the Soviet Union? What country in the West could sell us such an amount of

crude oil, iron, cotton, and so on? Those people of Solidarity despised the Soviet Union. I cannot think of a more groundless irrationalism — stupidity. The same stupidity as in our past, when our philosophy and common sense were directed toward the West. Besides, what's wrong in leaning ourselves on such a superpower, in exercising a policy which does not disturb them? What's wrong in being strong with them? Stalin wanted Poland to be strong because, he said, this was good for the Soviet Union. He was right. Poland is a vast and flat land where the winds blow very hard in any direction, and when this happens, the heads of the bats fly away, the heads of the armies marching to invade Russia, and such things must end once and for ever.

Fallaci: You love the Soviets, don't you? **Rakowski:** Sure, and not for economic interests only. Some of my best friends are in Moscow — I spend exquisite nights drinking vodka and talking with them. You see, also in Poland there are two historical trends: one pro-Russian and one anti-Russian. Both of them are understandable because of the partitions we had to endure for centuries. I belong to the pro-Russian partitions, those three shadows on Poland: the shadow of Austria, the shadow of Prussia, the shadow of Russia. I was born and grew up where the shadow of Russia did not arrive. The shadow

"Some of my best friends are in Moscow. I pass exquisite nights drinking vodka with them"

which darkened my village was German. In 1939, when I was 12, my father was executed because he was a patriot. And it was the Germans who did it. It was the Soviets instead who liberated us five years later. **Fallaci:** This explains many things. But enough about the Soviets. Let's come back to the Poles and pronounce the fatal name: Lech Walesa.

Rakowski: Walesa is fine, very fine. He lives in that village outside Warsaw where he has at his disposal three comfortable rooms, and is not treated as a fifth grade underdog. Believe me. He is treated very respectfully, with all the care that his position of trade union leader requires. He eats well, he gets newspapers, he watches his wife and children and his brother anytime he wants, and he has everyday contacts with the people of the church — Monsignor Ursulich in particular.

He also sees very often Stanislaw Ciosek, the Minister of the Interior, who is on good terms and they are already met five times for two or three hours each time. I haven't two days after his arrival from Gdansk I went to the villa, but he refused to receive me. So I never tried to see him. I will not, although he says that it was a misunderstanding, and he had not understood my name.

Ciosek tells me that he was kind of astonished in the beginning, then very surprised that the working class wouldn't stand in defence of his person. I say per se, he also kept asking to talk with his advisers (Bronislaw Geremek and Tadeusz Mazowiecki, but after all those meetings with them, he has the influence that the church exercises on him, he sees more willing to

discuss the future of Solidarity without his advisers. **Fallaci:** You will not bring him to trial for what he said in Radom, will you? **Rakowski:** Of course not. In fact, he is not under arrest. He is simply interned. The trials take place only for crimes committed in violation of martial law.

Fallaci: Then why do you keep him interned at a secret address as if he were an American hostage in Iran? Why do you keep him isolated? Because he has smallpox or because you hope to make a Quisling out of him, I mean, a collaborator, possibly with the help of the Church? **Rakowski:** We certainly don't keep him as a hostage, and this is not a matter of collaborationism. Besides, he doesn't seem very inclined to cooperate on the basis proposed to him by the Church. In fact, some in the Church are kind of tired of him. I mean, they are tired of explaining to him that he must take into account the reality and follow their advice. He doesn't listen to Cardinal Glemp like he listened to (the late Cardinal) Wyszyński. So there are rumours that the Church is considering the possibility of dropping him.

You know, it shouldn't be difficult to find in the ranks of Solidarity someone else ready to lead the unions in his place. At the same time, however, Walesa has reached the stage of rethinking all the events and one can see that he would like very much to go on being the head of the unions.

He likes to be a leader. He is very aware of being still a myth for a lot of people, though his star was declining. And sometimes facing the end of your own myth is painful.

Fallaci: So you are keeping Walesa in the closet with the intention or the hope of using him as an old coat. **Rakowski:** I don't know. Nobody knows. It all depends on the kind of trade unions we will have in the future. All is in a state of flux here in Poland. We are looking for solutions — who's to say what will happen with Walesa? As I told you, it seems to me that Walesa himself has not made up his mind: staying with us or not. **Fallaci:** You don't like him.

Rakowski: Why? Poor man, he is such a unhappy man. He always worked under that terrible influence of his advisers. He was manipulated by them all the time while he believed (himself) to be a real leader. Undoubtedly, a leader he seems to me that he failed to live up to the events. I mean, one cannot say that the man isn't intelligent. He is cunning, and he has instincts. But instincts aren't enough when they are not rationalized. Moreover, my impression is that the man started believing in his greatness. I'll tell you a story about Walesa. The fourth of December an important action took place in Warsaw,



Fallaci: 'What a tragic man you are, Mr Rakowski'

something that Walesa and the others of Solidarity should have taken as a demonstration that we did not joke when we said we were ready for the use of force. The militia stormed the firemen's school and ended the occupation. This happened at 10 in the morning, and before 10 Ciosek went to Walesa, who was staying at a hotel, to inform him and show him that we were playing openly. Walesa answered: "Well, Mr Ciosek, this is the end. Then we will have to take over power. Don't worry for yourself, though. You are a good man. I'll find you a job."

Irrationalism, shrewdness, naïveté, like when he came from Japan and said to me that he should teach the Japanese how to organize trade unions. I have observed him a lot since his peasant nature intrigued me. As a peasant he cheated his interlocutor and one could never find a common language with him. Once when he was sitting in this office, I said: "Mr Walesa, you have obtained so much. Why don't you stop and consolidate what you have? Rest for a while. These strikes are getting out of your hands too," he answered: "No, No, I don't need any rest. I feel OK. It isn't so bad as you believe. The point is this: that in politics one cannot be always aggressive. When he did, he had lost control of his own people."

Fallaci: — Yet you are not saying that we are finished. **Rakowski:** — No, I am not. **Fallaci:** — Mr Rakowski, when speaking about Walesa you have said that he is the attitude of the Church. Am I wrong or have our dealings with the Primate and his associates produced rather well?

Rakowski: — You know, they need us as much as we need them. So they are searching for a compromise, but to protect Solidarity and to reestablish a platform for themselves. Until December 13 they were at the top of public life here in Poland. They counted as never before, as not even in Italy, not even in Spain. If they want to regain that status, they must let Solidarity now, in spite of the letter that Jaruzelski wrote to him. So far, he has not been listening to me. I guess because of the people who surround him. For instance the members of Solidarity now in the West. They apparently have much influence on him. However, after the visit of Primate Glemp, his behavior might change. The sermon that

Glemp delivered in Rome was very interesting indeed. Every word of his denounced a spirit of compromise, and he started speaking of San Salvador.

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PROFESSOR GEOFFREY BULLOUGH

Author of definitive work on Shakespeare's sources

Professor William A. Armstrong writes: Professor Geoffrey Bullough died suddenly at his home in Edinburgh on February 12. He was a man of extraordinary energy and breadth of interests which were directed and unified by a masterful ideal which could be fittingly described in Arnold's words as "the disinterested endeavour to learn and propagate the best that has been thought and said in the world". His was a double achievement: to have embodied this ideal and to have communicated it, unforgettably, to four generations of university students, and to many others.

He was born in Prestwich on January 27, 1901. After attending the Strand Grammar School, Whitefield, he studied English Language and Literature at Manchester University, proceeding to his BA (First Class Honours 1922), MA (1923), and Teachers' Diploma (1923). During this period he was awarded the Gissing Prize, the Withers Prize in Education, and the John Bright Fellowship, which enabled him to study in Italy for a year.

After two years as a master at the Tamworth Grammar School of Queen Elizabeth, he became an assistant lecturer at Manchester University (1926-29), then lecturer at the University of Edinburgh, a city in which he made many friends and to which he returned when he retired.

In 1933, at the early age of thirty-two, he was appointed Professor of English Language and Literature at the University of Sheffield. During the following 13 years he effectively reconstructed the Honours English course, revived the local branch of the Shakespeare Society, and became vice-chairman of the Sheffield Repertory Theatre, which he helped to raise from a parlous to a flourishing condition. He regularly found time to take weekly classes for the Workers' Educational Association in the winter and spring.

From 1946 until he retired in 1968, Bullough was Head of the Department of English at King's College, University of London. He introduced a number of new courses, including the first BA course in American Literature in the University. He also innovated by holding fortnightly seminars of postgraduate students, who came to the Department in increasing numbers during his professorship. His interest in adult education continued; he served continuously on the principal committees of the University's Department of Extra-Mural Studies, and acted as director of its Summer School in 1948 and 1950. As a governor of the Chelsea College of Science and Technology from 1952 to 1968, he did much to further its interests during a difficult phase in its development.

Bullough's great enthusiasm for English studies and the spread of international goodwill led him to undertake many arduous lectures for the British Council and the Foreign Office in France, Germany, Austria, Spain, the Middle East, India, and South America, where, at the age of sixty-six, he frequently lectured at one centre in the afternoon and at another in the evening. He was Visiting Professor at Cornell University in 1964 and delivered the Alexander Lectures at the University of Toronto in 1959. He was an Honorary Litt.D. of the universities of Manchester (1969), Glasgow (1970), Alfred (NY, 1974), and Glasgow (1980).

Much of Bullough's research was in the field of Renaissance Literature and was distinguished by its disciplined scholarship and judicious critical assessments, which were never affected by current fads or idiosyncrasies.

His editions of *Philosophical Poems of Henry More* (1931), *The Oxford Book of Seventeenth Century Verse* (with Sir H. J. C. Grierson, 1934), *Poems and Dramas of Fulke Greville* (1939), and *Milton's Dramatic Poems* (with Mrs Margaret Bullough, 1958) are models of their kind.

His magnum opus, *Narrative and Dramatic Sources of Shakespeare* (8 vols, 1957-73) is a definitive work. Mettulously presented, it provides a comprehensive collection of the main sources of Shakespearean drama, together with essays on each play, demonstrating in detail how Shakespeare's imagination transformed and mined his source-materials.

Bullough was the author of the narrow special *Trend of Modern Poetry* (1934), which was extended in 1949) is a balanced study of a complex subject, and *Mirror of Man* examines the influence of contemporary psychological theories on the work of Shakespeare. His unpublished work includes extensive notes on the life and writings of Sir Richard Fanshawe, the development of English satire, and the relationship between literature and music. Students and scholars from every part of the world have happy memories of the generous hospitality that Mrs Bullough and he extended to them. He leaves her, a son, and a daughter. He was a man of quick sympathies, great benevolence, and penetrating sagacity. Underlying his lively, humorous, and humorous was a deeply serious view of life.

Carmen Callil: Branching out after a spectacular success with feminist publishing

Virago to join Chatto

By Bryan Appleyard

In the culmination of the most extraordinary literary success story of the past decade, Virago, Britain's first feminist publishing house, has been taken over by the Chatto, Bodley Head, and Jonathan Cape group. The Virago name is to continue under its two managing directors and co-founders, Ursula Owen and Harriet Spicer, while Carmen Callil, its original founder, is to join the board of Chatto & Windus as joint managing director and publishing director. She will become chairman of Virago and continue to edit its *Modern Classics* series.

The move has been signalled for some weeks within the publishing world by impending changes within Chatto and the knowledge that Virago's rapid expansion made larger distribution, marketing and administrative facilities essential. At Chatto North Smallwood, chairman and one of publishing's most respected figures is to retire on March 31, as is D. J. Enright, the poet and the post of editorial director.

While Chatto was looking for its successor, it was also among those with experience of new fiction and younger writers, Ms Callil said. Its seven full-time and one part-time staff will be enlarged.

Virago's hallmark has been a highly aggressive marketing policy combined with a wide-ranging list ranging from sociology like Joyce Nicholson's *What Society Does to Girls* to the end of his life, distinguished contributions to engineering over a span of more than half a century.

He graduated from the University of Manchester in 1923 having served in the Royal Flying Corps during the First World War. During the following 25 years he established himself as a leading authority on the design and performance of centrifugal pumps especially for new applications in the rapidly expanding oil industry. During the Second World War he played an important part in the development of an internal network of oil pipelines and was concerned with the PLUTO (Pipe Line Under The Ocean) project which formed a vital part of the support for the invasion of France.

For the past 30 years he has worked as an independent consultant and took a leading part in the development of the technological aspects of oil pumping and transportation, being involved in some of the largest installations in Iran.

The dedication that he displayed in the practice of engineering was matched by his devotion to the profession.

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Chess defeat for English

By Harry Golombek, Chess Correspondent

The first round in the final qualifying group in the Western European zonal tournament was played at Marbella, Spain, on Sunday and proved a bad day for the English players. Grandmaster Peter Smith, who had been in poor form throughout the tournament, lost his preliminary game, lost with the black pieces to Rivas, a Spanish master, as did Mark Hebden against Ligerick, the Dutch master.

The other two games, between Stean and Short and Mesel and Van der Wiel, were drawn. In such a short tournament, in which only seven rounds are to be played, an initial loss is a grave handicap and we can only hope the other English chess players will be able to gain the top three places and thereby qualify for the inter-zonal.

Order of the draw: 1. Stean; 2. Smith; 3. Mesel; 4. Van der Wiel; 5. Hebden; 6. Rivas; 7. Ligerick; 8. Short; 9. Short; 10. Short; 11. Short; 12. Short; 13. Short; 14. Short; 15. Short; 16. Short; 17. Short; 18. Short; 19. Short; 20. Short; 21. Short; 22. Short; 23. Short; 24. Short; 25. Short; 26. Short; 27. Short; 28. Short; 29. Short; 30. Short; 31. Short; 32. Short; 33. Short; 34. Short; 35. Short; 36. Short; 37. Short; 38. Short; 39. Short; 40. Short; 41. Short; 42. Short; 43. Short; 44. Short; 45. Short; 46. Short; 47. Short; 48. Short; 49. Short; 50. Short; 51. Short; 52. Short; 53. Short; 54. Short; 55. Short; 56. Short; 57. Short; 58. Short; 59. Short; 60. Short; 61. Short; 62. Short; 63. Short; 64. Short; 65. Short; 66. Short; 67. Short; 68. Short; 69. Short; 70. Short; 71. Short; 72. Short; 73. Short; 74. Short; 75. Short; 76. Short; 77. Short; 78. Short; 79. Short; 80. Short; 81. Short; 82. Short; 83. Short; 84. Short; 85. Short; 86. Short; 87. Short; 88. Short; 89. 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THE ARTS

Television
Breaking
cover

Police (BBC) last night triumphantly abandoned gritty realism and took off for the realms of fantasy with *The Duchess and the Detectors*. Leaving the horrors of rape victim interviews behind, it entered the world of the country house mystery. The cast included the householders, and her two guests, the historian Sir Arthur Bryant and Adrian Dainton — "I'm a semi-known painter."

Acting, as they say, on a tip-off, the police filled the house with 18 bodies, hoping to catch the burglars after they had broken in. Inhibition and class consciousness divided the guards and the guarded. "We're only worried, Madame... er... Duchess," stammered one officer. The villains went untrapped and, in the euphoria that followed the release of the suppressed hysteria of the night, the police congratulated themselves on a smooth operation, a strangely abstract impulse.

In Monaco they do things differently. In *Hot Champagne and First-night Nerves* (BBC 2) David Pearson followed the Drama Group of Monaco, all expatriate English, through their production of *The Heiress*. This apparently frothy little idea resulted in fly-on-the-wall realism of the most painful variety. Sobbing policemen could not compare with the horrible verbal slaughter inflicted by John Bromley, the director, and Joan Hall, the group's founder, on members of the cast behind their backs.

Optimism dictated Alec Nisbett's choice of Sri Lanka for his *Horizon* programme about malaria. *The Million Murdering Death*. That country is acting more efficiently than most to eliminate the disease. Indeed in 1962 it succeeded but, in one of the elaborate retributions malaria constructs against those who would combat it, its efforts were undermined — by illegal gem miners who left stagnant pools in their deserted pits where the mosquitos multiplied. Nisbett set out to establish the human and technical complexity of the problem as well as its urgency. It was a solid documentary, speaking economically and movingly and without redundant rhetoric.

Bryan Appleyard

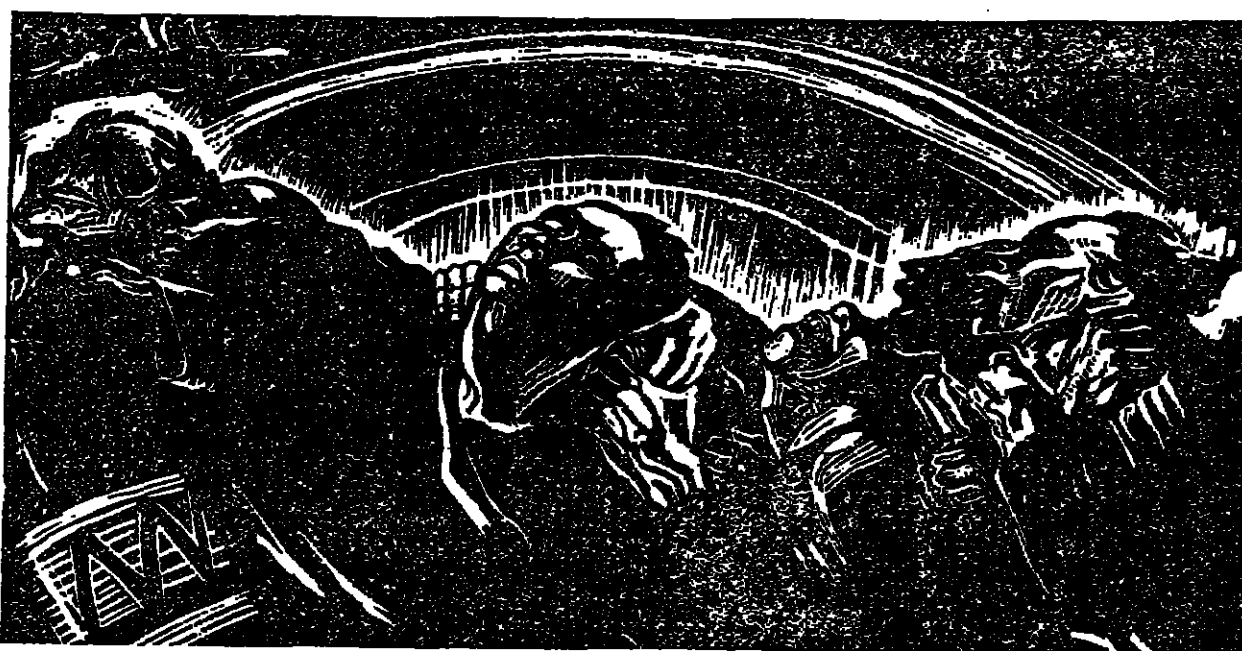
Galleries
Confrontation by a modern 'classic'

Rufino Tamayo:
Recent Paintings
Marlborough Fine Art
Ger van Elk
Serpentine Gallery
Käthe Kollwitz: The
Graphic Works
ICA

Though prophets are traditionally thought to be without honour in their own countries, precisely the opposite seems to be true of Latin American artists. Whether from cultural chauvinism or from extraordinary speed of sympathetic response, most of the successful ones find that in their own countries they can sell so much, at such amazingly high prices, that they do not really need even to look farther afield. Once this western is established they are unlikely to be able to break it, even if they want to, because in London, Paris and New York they will be, for all their fame at home, just so many more unknown painters competing in an already crowded market: their prices would naturally have to be much lower, and it could well be a problem to find a dealer who would be willing to take the gamble.

Something of this kind has happened to Rufino Tamayo, the leading Mexican painter of the generation just junior to that of the famous muralists Orozco, Rivera and Siqueiros. Even though he lived in New York and Paris for nearly 30 years, from 1936 to 1964, he has grown so convincingly into his present status as a national institution that nowadays he is likely to be little more than a name outside Mexico, and certainly outside the Americas. Apparently while he was living in Paris he did have a single one-man show in London, though it seems not to have been important enough to impinge on the records; for most British art-lovers the show at Marlborough Fine Art three years ago was very likely the first opportunity they had had to see a body of his work in anything but reproduction.

It is not easy to approach the work of a modern classic, or a painter who is widely so regarded, when he is already 80 (Tamayo is now an incredibly youthful and active 83). Especially if much of what has been written about him is subtly misleading. Much play has been made, for instance, of his American Indian blood, and of his known interest in collecting Pre-Columbian artifacts. Since there is clearly some influence from primitive art in many of his earlier paintings, the equation has been too briskly made: the sources of the



Kollwitz's anguished protest in "The Volunteers", 1922-23

influence must be locally American. But, coolly observed, his work does not look like that at all: the tribal masks which have helped form a lot of his faces are surely African or, even more evidently, Oceanic, and their effect must be filtered through Picasso, a friend and admitted idol of Tamayo.

Tamayo is, and always has been, a fine and subtle colourist, with a unique feeling for the way texture and tone interact. In the recent pictures on show at Marlborough Fine Art until Saturday (the latest hardly dry in time to be hung) the surface is cloudy and chalky-looking, suggestive of an ancient mural, so that one gets the impression of colour being revealed through the wall or juggling with intricate reflections. His less fiddled-with photographs, such as the *Missing Persons* series, unfortunately tend to suggest stills from a bad movie — though, again, that is all perhaps part of the intention.

It is surprising that an artist as well-known by name as Käthe Kollwitz should apparently have had only one important showing in Britain before the ICA's comprehensive collection of *The Graphic Works*, on show until March 14. The dangers, given the present climate of opinion, are that she will be reduced to protest art or woman's art and left at that. Fortunately the impact is too powerful for such simplistic responses to seem sufficient.

In fact, Kollwitz herself would have rejected them. She did not really fit in with any school or movement, largely because of her refusal to be pigeonholed. She was obviously, in her art and her life, on

the side of the hungry, the suffering, the oppressed, but she could not align herself with any one political party, reasonably feeling that none had an all-purpose solution. She was the most famous woman artist in Germany, at least from 1900, but she rejected the role of spokesman for women's art, believing that quality was more important than gender. She was disregarded by the Left because her tone was generally so gloomy and obsessed with death (not the correct, positive, constructive approach at all), while denounced by the Nazis as "degenerate."

Now, as then, she stands or falls alone. Though it is possible to find her work a little monotonous in its constant gloom and despondency, and its small range of subject-matter, it is immediately apparent that her powers as a draftsman were extraordinary, and there have been few artists, in this century or any other, who had such complete control over the tricky medium of the woodcut. The drawings show that when she wished she could depict with the most exquisite precision details of plant life or of human appearance. But her heart lay in the great cries of anguished protest represented by the major graphic series such as the *Weavers' Uprising* lithographs of 1897, the *War* woodcuts of 1922-23, and her latest major work, the *Death* lithographs she did in the early days of Hitler's rule. Many of these are closer to the private agony of Munch than the melodramatic of Orozco; they have lost none of their ability to evoke pity and terror.

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John Russell Taylor

Opera
Delius unplaced

Margot la Rouge
Radio 3

I cannot think of any composer around the turn of the century less fitted than Delius to make something viable out of a verismo package of sex, low life and crime passionelle. Yet this is what he attempted in *Margot la Rouge*, which on Sunday afternoon after 80 years received its world premiere in a BBC production.

The opera is, it must be said, as weak as it is unlikely, but probably we would have heard it before now if the full score had not been lost. Delius wrote it as part of a competition for one-act operas held by the publisher Sonzogno; a similar contest organized by the rival house of Ricordi a dozen years earlier had resulted in *Cavalleria rusticana*. But *Margot* was unplaced in its field, and although Delius privately published some copies of the vocal score, which Ravel had arranged for him, he was unable to stimulate interest in what was his fifth opera. He did not, however, forget it. Parts of the score, the best parts, it now emerges, were given words from Whitman and assembled to form his last work, *Idyll*, at the beginning of the 1930s.

Eric Fenby, who was of course working with Delius during those last years, orchestrated the version used for Sunday's performance, and not surprisingly he provides a lustrous tapestry that sounds perfectly authentic, recalling particularly the world of Delius's previous opera, *A Village Romeo and Juliet*. It is not a style, though, destined to bring life to the affairs of prostitutes and alcoholics in a Paris bar. The present and the actual were never very important to Delius, and *Margot* only begins to work when the title heroine and her sergeant, who arrives by chance to rescue her from her fate, dream of their happy past and their idyllic future away from the city, amid woodlands and silver streams.

Lois McDonald and Kenneth Woolman were effective in the central roles, although an opera which mostly wanders in recitative and is over in 40 minutes does not offer many opportunities to its singers. The heart of it is to be found rather in the orchestra, in music which the BBC Concert Orchestra under Norman Del Mar played quite beautifully. *Margot* may now safely be left to sleep again.

Paul Griffiths

Concert

Fischer-Dieskau/
Höll

Covent Garden

When song recitalists include a Richard Strauss group, they almost always stick to the songs of Strauss's brilliant youth, and seldom venture into his mature work, much more individual though it is. On Sunday Dietrich Fischer-Dieskau devoted the whole of his recital at the Royal Opera House to songs by Richard Strauss. He sang 26 of them, and hardly touched on the early and most famous, until it was time for encores.

That was to be expected, since he has recorded all those suitable for a male singer, and is well acquainted with the gems usually ignored. He was in sovereign voice, light on the breath and witty in "Mein Wagen rollet langsam", elegantly negotiating the melisma at the end of "Himmelsboten", which dwells on the beloved's round breasts. His

bass notes were firm and true, and he still can float easy, wooing tone above the tenor staff.

Fischer-Dieskau's voice is no longer the honed baritone of his thirties; that sort of vocal production leads to unsteadiness as the singer grows older. He will be 57 this year, and there is no trace of wobble in his voice. He has honed it, and fined it, so that the effect is near to modulated speech, rather dry perhaps, but musical all the time, accurate, sensitive, expressive and, in "Freundliche Vision" at the end of the recital, pure bel canto. In "Städchen", an earlier encore, the singer even suggested the light baritone of a young boy.

Fischer-Dieskau brought a new accompanist, Harmut Höll, a pianist of abundant imagination, dazzling technique and amazing lightness, often too discreet for the music, but a joy to hear

William Mann

Dance

Steps towards spectacular unreality

The Sleeping Beauty

Palais des Congrès,
Paris

Try to imagine a modern hall holding nearly twice as many spectators as Covent Garden, and seating them in wide armchairs arranged in long rows in one vast ascending tier. That will give you an idea of the size of the Palais des Congrès in Paris, part of a huge edifice at the Porte Maillot which also holds a shopping centre, an hotel and an airport bus terminal. Not the most romantic or glamorous of settings, you will gather, but it is there that the Ballet de l'Opéra is giving *The Sleeping Beauty* six times a week for a season that runs until March 20.

Visually it is a strange mixture. The 520 costumes designed by Bernard Daydé equip the dancers with larger head-dresses and longer cloaks or veils than you would think practicable for dancing in. But all the characters are dressed to



The captivating Elisabeth Platel, with Jean-Yves Lormeau

show off their legs, even the King and Queen. That, together with the prancing manner of the spectacular processions which start everything off, could be puzzling if you fail to observe the high above the main stage, where various climatic groupings are arranged.

To the decorative elements already mentioned there are added projections of photographs by a painter, Serge Diakonoff, in which faces are shown painted with strange designs, some much stranger than others. They start during the fairies' solos in the prologue, and at first you see just the face of whoever is dancing, superimposed on the backcloths about twice as tall as the dancer herself: a way, you might think, of letting spectators at the back of the hall know what the dancer looks like.

With the arrival of the Lilac Fairy and Carabosse, fantasy begins to take over: the former has a magic horse painted on one cheek, the latter is painted with elaborate patterns like those of Kabuki performers, turning her face into a mask of evil. Later, her influence at the moment of the spell is indicated by a head hidden within a helmet like a stone wall, and the sleeping princess is represented by a face, covered in patterns like the bark of a tree, wearing flowers instead of hair.

Why such elaborate fantasy photographs rather than paintings or statues? Simple: Could a statue or painting close or open its eyes as these do?

With such competition going on around and behind them, it seems a wonder that the dancers can make much impression at all. Yet they do, and a strong one too. Eightower has in many respects enlarged, developed

or otherwise changed the traditional choreography, most successfully in the vision scene where, I am told, she has borrowed a great deal from Bronislava Nijinska's famous production in Paris two decades ago, in which she danced Aurora.

The nymphs who accompany Aurora in that vision scene move fast about the stage than we are used to, and their steps are arranged with a wider amplitude, but what they do is obviously based on Petipa's original, with the characteristic phrases emerging slowly from the frozen patterns, and it looks splendid as well at being right for this stage.

The quality of the dancing, as usual with this company, is high. I saw two of the five dancers who are announced to play Aurora during the run, the one of the potential casts as Prince Désiré, and two couples in the Bluebird duet.

Noella Pontois is a ballerina of splendid assurance, at the height of her powers; her balances recall Fonteyn in her prime and she has a purity in her movements that enables her to stand up to the comparison. Elisabeth Platel, the other Aurora I caught, is the youngest of the Paris ballerinas, promoted a couple of months ago and only in her early twenties. Already she dances with a sweet confidence that is entirely captivating, a marvellously assured line and especially in the Vision scene, a heart-warming sensitivity.

Her Prince was Jean-Yves Lormeau, better suited to this romantic part both by looks and temperament than either of the others I saw, by far the most elegant of the three. Patrick Dupond and Patricia Bart, and he dances it as well as either. Dupond's flashing (one might say flashy) brilliance is more at home in the Jewels quintet, where he alternates with the very able Stéphane Prince. Bart is a forceful Bluebird, a role in which Fabrice Bourgeois, thrown on as a reserve because of another dancer's injury, also danced admirably.

Among the other women, Florence Clerc and Monique Loudières both dance well as Princess Florine, Sylvie Clavier is a malevolent Carabosse and Françoise Zumbo a gracious Lilac Fairy, even if the solo now owes more to experience than to freshness.

Like the Royal Ballet, this company is bursting with young talent eagerly seizing every chance to shine. The visit to Covent Garden planned for this summer has fallen through for financial reasons, I hear; a great pity because they have much to offer.

John Percival

A FIRST DATE WITH KENNETH MACMILLAN...

ITV Today at 2.25pm

A LOT OF HAPPINESS

Kenneth MacMillan, one of the world's leading choreographers, is seen at work as he creates a ballet for television, with two stars from the renowned Stratford Ballet, Vladimir Kios and Birgit Keil. Directed by Jack Gold.

'Gold's programme manages to squeeze right into the space between creative genius and bravura performance to draw a chart of the myriad tiny capillaries running between the two. It was easily the best programme about ballet I have ever seen.' *The Financial Times*

AND LATER TONIGHT, A SECOND AT 9.30...

ISADORA

MacMillan's controversial ballet-with-words on the life and death of the incredible Isadora Duncan, from the stage of the Royal Opera House, Covent Garden. Directed by Derek Bailey. Danced by Merle Park, spoken by Mary Miller, with the Royal Ballet.



'Nothing I had heard or read about the work had prepared me for its exciting theatricality...
'MacMillan is a stunning choreographer of sex.'
'The kind of people who make up Covent Garden audiences are now so stuck in a kind of artistic lockjaw that unless the critics approve they seem unable to enjoy anything that breaks yesterday's mould.'
'MacMillan seems to me to be enlarging the possibilities of ballet and taking it far beyond idealised fairy tales. The public at large can judge for themselves when Isadora goes out on television.'
The Guardian

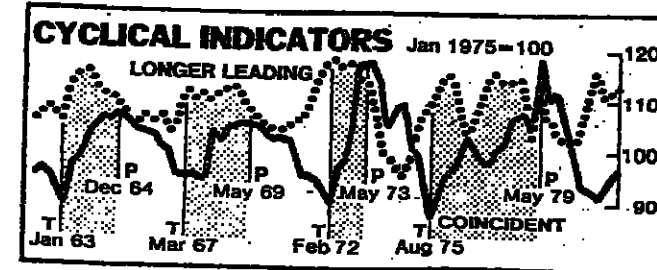
GRANADA TELEVISION

COMEDY OF THE YEAR
1981
Educating Rita
PICCADILLY THEATRE
Booking 437 4506 CC 379 6565

Tate Gallery
Museum London SW1
LANDSEER
This first major exhibition of the work of Sir Edwin Landseer includes the well known and the unexpected: animal life, Highland scenes and famous pets, Victorian society portraits and witty sketches.
Presented with support from
10 February to 12 April
Admission £1
Weekdays 10-5.50 (Thursdays 10-7.50) Sundays 2-5.50
Closed Good Friday
Recorded Information 01-821 7128

BUSINESS NEWS

Steady revival



A steady revival in the economy is being suggested by the Government's composite index of "longer leading" indicators. This index is used to predict the ups and downs in the economy about a year before they happen. January witnessed the third consecutive rise in this index. Falling interest rates (in Britain), rising share prices and an improvement in business optimism reported by the latest CBI survey, have all contributed to the increase. Until October, the longer-leading indicator had been falling for several months. The "coincident" index, which measures the current position in the business cycle, also rose in January. This confirms that the economy began to recover in the second quarter of last year.

Halliday verdict pending

Stock Exchange disciplinary hearings against two partners of the former Manchester stockbroking firm Halliday, Simpson have already taken place. It is understood no verdict has yet been given. Hearings against the two were held last week and hearings against two other partners are due to be held in a fortnight. The remainder will be before the Stock Exchange's Disciplinary Committee at the end of next month. Halliday, Simpson was suspended from trading by the Stock Exchange last summer.

Mitchell Cotts handshake

Mr John Wren is negotiating a "golden handshake" with Mitchell Cotts international group after a boardroom shake up under which he will depart as group managing director. From April 1, Mr Philip Dunkley Cotts' chairman will also become chief executive; Mr Thomas Kinsey a non-executive director for two years and former managing director of Delta Group will become deputy chief executive. Mr Peter Mackenna and Mr Ivan Soli become managing directors. Mr Dunkley said yesterday: "There has been no row. We had to take a look at the longer term implications and broaden the management base by bringing in an older man as my deputy."

Inflation optimism

L. Messel, the London stockbroker, believes that the Chancellor could get inflation below 10 per cent this spring by leaving excise duties unchanged in his March 9 Budget.

Lloyd's debate

Debate on the Lloyd's Bill, to bring up to date the London insurance market's archaic rules, continued in Parliament last night with further attempts to amend Clause 14, which would give a new ruling council immunity from being sued for damages by members.

MARKET SUMMARY

Alteration on gilts

LONDON EXCHANGE

FT Index 568.2 up 5.9
FT Gilts 67.14 up 0.95
FT all-share 327.98 up 2.47
Bargains 19,198

Rank Organisation shares were a late feature after a number of brokers got their hands on the group's annual report out today. Mr Henry Smith, chairman, forecasts a marked improvement in profits for all Rank controlled companies, and amid substantial buying the shares put on 8p to 195p.

Elsewhere in the market attention focused on gilts which had a buoyant session after last Friday's sharp drop in the United States money supply, with long dates closing up to £2.22 in equities there was a move to the upside but the FT Index closed up 5.9 at 568.2.

Trading in gilts began late due to the huge demand for the Government Broker's remaining supplies of the short end. Exchequer 13% per cent 1987 A, which was exhausted at £21.21 per cent.

This quickly established a 2% premium, and ended £1.4 up on the day with gains on other shorts ranging from £3.51.

Gilts proved a boost to equities but they remained subdued ahead of Thursday, when ICI publishes its fourth quarter results, and American International keeps cropping up in its stock market debut, with brokers looking for a premium of at least 30p a share.

Adverse comment clipped 2p from ICI at 336p. Wapote optimistic forecasts of profits for the year, and most interest surrounds the remarks that will accompany the figures.

Thorn EMI were a strong feature among leaders putting 10p to 485p, while Unilever were strong and rose 12p to 670p while among other leaders GEC were up 3p to 837p.

COMMODITIES

Cash tin fell back noticeably yesterday as the feared squeeze on shorts approaches at the end of the week. Cash closed at £8,605 a tonne, down £225 from Friday. But three months' futures hardened to £7,847, an increase of £225 a tonne, reflecting expectations that the buyer who has dominated the market since last July will not give up easily.

The executive board of the International Coffee Organization meets today to consider wide-ranging proposals for refining the present coffee agreement. Among the proposals are updating the base price from which quotas are estimated, setting up reserve stocks for separate types of coffee, and new ways of coping with shortages. Exporters have said that they do not want quotas suspended while the agreement is operating. March coffee rose £9 to £1,372 a tonne and May was £2 stronger at £1,278.

TODAY

Unemployment (February provisional figures); unfilled vacancies (February provisional). Board meetings: Fisons-Aquas Securities, Commercial Union, First Scottish American Trust, Grindlays Holdings, "Investing in Success" Equities, Ernest Jones, National Westminster Bank, Vantage Group.

Retail sales show first sizable rise for a year

By Melvyn Westlake

There was a big rise in High Street trading at the beginning of the year, according to Government figures published yesterday. They show a rise of more than 2% per cent in the volume of retail business in Britain in January, compared with December.

It is the first significant rise for exactly a year. In the early months of 1981, many of Britain's retailers experienced a mini-boom. But this gave way in the spring to a period of stagnating sales that continued for the rest of the year.

The latest rise in retail business, like the one 12 months earlier, appears to be attributable to the increasingly intensive winter "sales".

Government economists believe that post-Christmas bargain hunting is growing in importance. Even the bad weather at the beginning of January is not thought to have deterred determined shoppers.

However, yesterday's sales figures were received sceptically by City economists specialising in the retail sector. They were said to be inconsistent with reports from the big department stores and retail chains. The figures appeared particularly inexplicable at a time when real disposable incomes are falling and savings are holding up.

They also appear to be at odds with the drop in new car registrations that took place in January.

It may be that people have been encouraged by the very low increase in prices that has taken place for some kinds of retail goods. Clothing and footwear, in sales have held up well, is a

Corporation blames weather and US challenge for exceeding limit

British Steel seeks further £100m

By Peter Hill, Industrial Editor

British Steel Corporation will shortly ask the Government to increase substantially its external financing limit beyond the £350 provisionally allocated last autumn for the 1982-83 financial year.

The increase is likely to be more than £100m, reflecting the impact of the adverse weather last month, the expected curbs on at least a part of the corporation's exports to the United States, and the need to maintain progress in reducing costs and improving quality.

Mr Ian MacGregor, BSC's chairman, submitted the corporation's latest corporate plan to Mr Patrick Jenkin, Secretary of State for Industry, early in December.

But the plan made clear the chairman's wish to revise it in the light of changing market conditions — most notably the impact of protectionist moves by the American administration to curb exports of European steel. In February the plan also called for an external financing limit some £80m higher



than that provisionally allocated by the Government in its White Paper on public spending.

Final submissions to the Government will be made in the light of the latest assessment of prospects made by the corporation's senior executives. The indications are, however, that projected sales to the United States could be reduced by about 20 per cent against an original target this year of up to 500,000 tonnes.

Last month Mr MacGregor said that the effect of bad weather, which cost an estimated £100m in lost production, coupled with the American import curb threat, was casting a deep shadow over hopes of breaking even in the financial year that begins in April.

The corporation's biggest worry is that up to 2 million tonnes of European steel could be shut out of the United States market which would lead to further downward pressure on the carefully coordinated round of price increases that have been introduced since last October. That could upset the forecasts although BSC still regards as realistic its target of breaking even by the end of this year.

Yesterday, Mr Jenkin reacted cautiously to Tory backbenchers' questions in Parliament on BSC's break-even forecast, although he noted that there had been a heartening reduction in the rate of losses.

Last year the corporation turned in a pre-tax loss of £655m and in the first half of the current financial year the loss was cut to £196m.

Cheaper oil may force talks

By Jonathan Davis, Energy Correspondent

Confusion in the world oil markets deepened yesterday when the Organisation of Petroleum Exporting Countries had called an emergency meeting later this week to discuss the relentless fall in oil prices and continued uncertainty about Saudi Arabia's production levels.

Reports emanating from Algeria said that Opec members, prompted by the United Arab Emirates, were planning an emergency meeting on Saturday in an effort to thrash out a solution to the continuing oil glut.

The glut sent Opec production down by 4.4 million barrels a day to 22.5 million barrels a day last year, the leading industry journal *Petroleum Intelligence Weekly* reported yesterday. That is the largest single annual fall

to achieve anything even if the meeting did take place. The key to ending the downward slide of oil prices is still Saudi Arabia's production.

The Saudis, Opec's largest producers, are under increasing pressure from fellow Opec members to trim their output to protect the official \$34 a barrel pricing structure. But they denied at the weekend that they had reduced their production.

Observers believe that liftings from Saudi oil terminals have been allowed to drop as far as 7.5 or 7 million barrels a day.

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in Opec history, only one member, Indonesia, increased its oil sales last year, while Iraq's output fell by 66 per cent, Libya's by 39 per cent and Kuwait's 33 per cent.

Iran's move added another twist to the spiral of falling prices. The cut is the third it has made this month. Industry sources say Iran's light crude is now priced at \$30.20.

Saudi crude is being traded on the Rotterdam "spot" market at a discount of £5 a barrel to the official £34 a barrel price. North Sea oil was also being traded yesterday at up to £5 a barrel below its official price.

Iran's oil minister Mr Tayeb Abdel-Karim said Iran's decision to break Opec's official price structure made an emergency Opec meeting essential.

CBI plans picket over rates

West Country businessmen plan to picket the offices of the Bristol City Council at Bristol this morning.

This is the first time that industrialists have taken such drastic action. The reason for the militancy, in a region best known for its calm, is a short-sightedness in the rate of the rates bills that the soon-to-be beleaguered county council officers are sending to businesses in the area.

Local businessmen claim that rates in the Avon area are increasing at a faster pace than anywhere else in the country and today's action by the council officers is seen as a last-ditch effort to effect a change of heart and policy by the councillors and their officers.

The picket is being coordinated by the regional officers of the Confederation of British Industry, which is pressing the Chancellor of the Exchequer, Sir Geoffrey Howe, to cut business rates by 15 per cent in next month's Budget.

Mr John Main, head of the CBI's South West Region, said last night: "Avon Council is short-sighted enough to believe it can immunise itself from the recession. But the truth is that if any business was foolish enough to increase its costs by 40 per cent in 12 months, it would go bust. All they are doing is off-loading the cost of expanding services on to employers and, sadly, most firms will only be able to pick up the tab by making internal economies. For many that means axing jobs."

According to Mr Main, if Avon Council gives the go-ahead for the rate increase at a meeting later this week some companies will face increases in six figures.

Today's protest, the organisers say, reflects the local business community's disgust at what it considers to be the indifference of the Avon councillors.

ACC APPEAL RULING BINDING

A big step to ending the long term uncertainty over the future ownership of Lord Grade's former company, Associated Communications Corporation, was taken in the Appeal Court yesterday.

The court is hearing an appeal by Mr Gerald Ronson's Heron Corporation which is trying to block a transfer of ACC directors' shares to Australian Mr Robert Holmes a Court.

Any transfer would give Mr Holmes a Court control in a £36m takeover battle. Yesterday all sides agreed that the Appeal Court's decision would be binding and conclusive. This rules out a full trial of the issues involved which could have dragged on for months.

Rowntree results out early

By Margaret Pagano

Rowntree Macintosh, the chocolate group, is bringing forward by over a month its yearly results to present with its offer document for Humble & Palmer which is expected any day this week.

The offer document, outlining the bid which values Britain's second largest biscuit company at £75m, was originally due out today. It is now nearly a month since the take over bid was launched.

J. Henry Schroder Wagg, Rowntree's merchant bankers, said yesterday that Takeover Panels permission had been sought to delay producing the offer until the group's results had been prepared. Rowntree usually brings out figures in April but decided it will be necessary in putting its case to Humble & Palmer shareholders. Humble also indicated it is ready to offer results in its defence of the bid.

Since the bid was announced market forecasts for Rowntree's 1981 figures have been revised upwards by some £2m. Analysts are now predicting pre-tax profits between £42m and £44m for the year to December.

Rowntree is expected to produce forecasts for 1982 at a time when the takeover Humble & Palmer included are in the £51m profits range. The group's shares rose 4p to 170p.

Lever comes top in marketing survey

By Torin Douglas

Lever Brothers can claim to be Britain's top marketing company if launching successful products is an indication of a company's marketing strength. According to a survey of grocery trade buyers, Lever, the soap powder subsidiary of Unilever, is regarded as the manufacturer most likely to succeed with the launch of a new product. Second comes United Biscuits, followed by two cigarette manufacturers, Players and Gallaher.

Lever's great rival, Procter and Gamble, which topped the list 10 years ago, is now in seventh place, behind Birds Eye and Pedigree Petfoods. The top 10 is completed by Kellogg's, Mars and Smiths Foods.

Despite the recession, most manufacturers are more interested in launching new products than ever, according to Kraushar and Eassie, the consultancy that has produced the survey, *New Products in Grocers 1982*.

Static or declining markets, increasing competition and pressure from the supermarket chains are among the factors encouraging companies to look for profitable new markets to carve out.

In the past 10 years, more than 170 products have been launched successfully in grocers, according to Kraushar and Eassie, which took as its threshold of success 1981 turnover of at least £4m. The most successful new product by far in this period was Lever Brothers' Persil Automatic.

BA sells £25m Jumbo

Loss making British Airways had raised £25m by selling a nearly new Boeing Jumbo freighter to Cathay Pacific for its thriving East Asia run. BA bought it about a year ago for nearly double that price, and it brings to £130m BA's aircraft sales in recent months.

The airline still has a further £50m to £100m worth to get rid of as a result of a recent decision to reduce surplus capacity. The planes to be sold include three passenger Jumbos, three

Boeing 707's, two Tistars, one VC10, and seven Viscounts (on which British Air Ferries have options).

BA expects to make a loss of around £150m this year after a £140m loss last year, but hopes to get back to profit next year and go public the year after.

Cathay, part of the London-owned and Hongkong-based Swire Group, plans to use the freighter on its London-Frankfurt-Middle East Hongkong route.

Devaluations test system's stability

Belgians reopen EMS debate

By Frances Williams

Yesterday's devaluation of the Belgian and Danish currencies within the European Monetary System, only five months after a big shakeup of member currencies in October, comes at a time when the future of the EMS is again under intense discussion.

Does the devaluation confirm the forebodings of those who foresee increasing and damaging strains on the EMS as market pressures force currencies out of untenable straitjackets?

Or does it bear out the optimism of those who see the EMS as providing a stable but flexible framework within which to make sensible adjustments to changing economic conditions?

At the heart of the EMS lies its exchange rate mechanism to which all European Community members except Britain and Greece belong. This obliges member governments to keep their currencies within predetermined limits of each other, either by intervention in foreign exchange markets or

by changing interest rates or by more fundamental economic measures. But if a parity is clearly out of line with a country's economic needs it can be adjusted provided the other members agree.

In its three-year history the EMS has so far shown a remarkable degree of stability, especially compared with the pound and the yen. The realignment last October was the first involving more than one currency for over two years, and only the second since the EMS was set up in March 1979.

This relative stability has been claimed as a big success by EMS proponents and has led to envious glances from beleaguered British industrialists and others who believe that sterling's volatility, has damaged economic prospects.

But others argue that the EMS has been helped by a strong dollar and an uncharacteristically weak Deutschmark, which masked increasing divergences between the European economies on such fundamentals

as inflation and the balance of payments.

With a low inflation rate, and a rapidly improving balance of payments, the Deutschmark is expected to strengthen over the coming year while the dollar is widely predicted to fall as the American economy stagnates and the balance of payments worsens.

Though the EMS has to a large extent succeeded in creating a zone of currency stability, it has failed to make any progress towards its more fundamental objective of encouraging economic convergence of member countries. Policies and prospects for inflation, for instance, remain as divergent as ever.

It would, however, be misleading to see the latest realignment as an instance of greater currency instability. As for the vexed question of British membership, the latest realignment is unlikely to change the present position.

Riding the mighty Micro

This is the prototype — minus bodywork — of the Micro, a two-seater, 50 mph car which uses the tilting principle of British Rail's Advanced Passenger Train, being driven by Dr Edmund Jephcott, its inventor, a former lecturer at Sussex University. Dr Jephcott

claims that his car is more stable than manufacturers' previous attempts with such a vehicle and can travel 100 miles on a gallon of two-star petrol. He is now seeking up to £1m of backing to build a factory to produce 25,000 Micros a year. The car's estimated price is £1,750.

The Great Northern Investment Trust PLC

Extracts from the Report and Accounts. Year ended 30th November 1981

- During year a further £10m switched from UK to overseas investments, principally Japanese and American equities.
- Overseas investments now account for 36% of net assets compared with 23% a year earlier. The longer term aim is that overseas and home markets should be of equal importance in the portfolio.
- Valuation of net assets at 30th November 1981 was £89.8m of which £87.4m was attributable to ordinary

- stockholders, equivalent to 180p per ordinary stock unit.
- Due to increased overseas investment net revenue for year declined from £3.4m to £3.2m.
- The ordinary dividend for the year has been maintained at 6.6p per stock unit. Copies of the accounts are available from The Great Northern Investment Trust PLC, 90 Mitchell Street, Glasgow G1 3NQ.

...now admits that his "push game" at a stroke. That's what we as centre half and the game has been his life. His memories and passion, and an elegant certainty about a matched letter by Bobby Charlton in his son's name.

BUSINESS NEWS/COMPANIES AND MARKET REPORTS

Split views on bid for Eagle Star... BICC catches up

Analysts divided on Allianz plans

Market opinion is divided on the likelihood of a full-scale Allianz Versicherungs bid for Eagle Star, the composite insurance group headed by Sir Denis Mountain. But the share price has again begun to rise to within a few pence of the year's high (Drew Johnston writes).

Last week, speculation was boosted when Tilney and Co, the Liverpool stockbroker firm, said there was a high probability that Allianz would bid for the 70 per cent of outstanding Eagle Star shares.

But a straw poll of top composite insurance sector analysts yesterday indicated that in their view, the prospects for an all-out bid later this year are by no means sure.

The views of the sector-watchers range from absolute conviction that Allianz will not come back, to cautious expectation that it might.

Wood Mackenzie, the Edinburgh brokers, say they come into the latter category, but at the same time recommend a lightning of holdings in the share.

Other analysts believe the share value — up to 387p yesterday is at least 100p higher than its rating warrants. Within the sector,



Sir Denis Mountain, Chairman of Eagle Star

analysts point to Eagle Star's price earnings ratio which is 3 or 4 points greater than higher quality shares such as General Accident. Its yield, at 5.7 per cent, is lower than most other insurance stocks, and stands at the level of all-share average dividend yield.

One forecast gaining increasing support is that Allianz will settle for its 28 per cent stake as a trade investment and try to negotiate a cooperation agreement with Eagle Star. Allianz is no stranger to

such arrangements, at least not in West Germany. But it has not, so far, held onto a minority stake in an overseas business.

Eagle Star's private assessment of the Allianz offensive could differ from the public face it has so far presented, and this could provide a basis for sitting down and talking.

The real issue now is whether and when reaction will set in on the share price.

Pretax profits for 1981 are estimated around £75m, with a dividend yield of 6 per cent. The 1980 figure was £66m when the yield was 4.3 per cent.

Cable group's outlook good

BICC is known for its good defensive qualities in a bear market. Yesterday the stock developed a taste for the stock, but it was not for this reason, Sally White writes. The solid heavy electronics were all in demand. Ferranti, it is true, was again rumoured to about to receive a bid, but Thorn and Racal were also chased.

BICC is reporting in just a couple of weeks, and had been looking left behind in the general run-up of the market. The world's largest specialist cable manufacturer, it is making a great success of its international side. Two-thirds of the profits come from overseas. On a pile of 13 a number of brokers thought it looked

cheap enough to recommend.

Estimates of the pretax profits range between £93m and £100m against £74.6 last time. The interims showed a gain of 16 per cent, including £5m of currency gains, and there are thought to be more currency gains in the second half.

One fund manager said: Look at the profits growing. In the last five years reports are £32m, £44m, £47, £57m the just under £75m, and much of that when British capital goods industry was fighting against a recession.

It is only recently that BICC has made a significant push into the electronics sector. It picked its areas cleverly, not to jump straight into the deep end of managing higher technology that its experience warranted.

Starting with BICC-Burndy — which was a joint venture with the American Burndy group — has become involved with electronics progressively. In 1976 it added a couple of companies involved in supplying control systems, and then added Vero Electronics in 1978. This in turn added Scaletro, which makes connectors for high frequency links for the telecommunications industries.

Fielding Newson-Smith said: "In three steps they took their electronics related turnover to above £100m a year". Admittedly only a small chunk in a total of £1,500m but an important one.

BICC also has small growth which will flower in a few years from which to expect but contracts in the short term, but in two or three years.

"Problematic" is the word used by analysts to describe potential sources of new business such as the Channel Tunnel, or further electrification of the British Rail system. But BICC has firmer business than that in prospect.

The best point of all for BICC is that its prospects are so tied to the British economy. And to top it all it has a strong balance sheet.

At the halfway stage net gearing was thought to be at about 24 per cent after taking first half retained profits into account. After the rights issue and profits increase, allowing for acquisition, this figure could be down to 15 per cent.

Amos Hinton undervalued

Frustration for fund managers is undiminished stock they cannot get their hands on (Drew Johnston writes). This looks to be the position at Amos Hinton, the north-eastern food and drink retailer, where the share price has

been rising steadily. It rose 8p to 308p yesterday.

Inaccessibility of the ordinary shares provides a clue that the share price is rising on fundamentals. It has been regarded as a takeover candidate in the past with Kwik-Save at one stage an interested party, but Hinton is well protected by its family shareholding.

The shareholding structure gives each of the 1.1 million shares 10 times the voting power of the ordinary shares.

A thorough management consultant's review of the business is said to be responsible for putting Hinton's back among the growth shares.

A Common Market view is that Stock Exchange revision of the rules on restricted voting rights will take five or six years to introduce fully. One analyst says that by that time, Hinton should have grown sufficiently to be too big an acquisition bite for any but the largest stores groups.

Whether this view is justified, cutting out its unsuccessful discount stores and concentrating on expanding its fresh foods business seems to be paying off.

Results for the year to March, 1982 are expected to be good. Pretax profit could well be almost double last year's at about £2.4m.

At the half year, profits rose dramatically from £422,000 to £1.09m. The dividend yield is 2.9 per cent, and the price earnings ratio is around 11.

Announcement of figures is expected in the second half of May.

INTERNATIONAL



JAPAN

The Japanese economy is expected to grow at an average annual rate of 4.5 per cent between fiscal 1982, beginning in April, and fiscal 1986, the Japanese Economic Research Centre says in a medium-term forecast.

Chiefly because of a slowdown in exports of low-priced products and plants, Japan posted the first deficit in 1981 in its trade with China last year, the Japan External Trade Organization says.

CZECHOSLOVAKIA

Representatives of the United States, Britain and France have handed over 10 tonnes of gold to Czechoslovakia under an agreement which Czechoslovakia compensates for property nationalized after the Second World War in return for the gold seized from the country by the Nazis and held by Britain and the United States.

CANADA

The United States and Canada held formal talks in Geneva under the General Agreement on Tariffs and Trade without resolving the Canadian investment limitations challenged by Washington, which claims that agreement by Canada with incoming foreign investors cause international trade distortions.

SRI LANKA

Sri Lanka wants Malaysia to take part in joint ventures in industries such as coconut oil processing, plastics, or child cultivation, fish raising, and tourism.

FRANCE

CDI Chimie, the chemicals division of the French State Coal Authority, has signed a licensing agreement under which Saitom Chemical of Japan will use CDI Chimie's linear low-density polyethylene production process.

● In January French retail price growth accelerated to a monthly rate of 1 per cent from 0.6 per cent in December, according to a provisional estimate by the National Statistics Institute in Paris.

● French retail prices rose an estimated 1 per cent last month, compared with a 0.6 per cent rise in December.

CHINA

China's 1981 trade deficit with the United States narrowed to \$1,700 (£1.4m) a year earlier, according to United States Commerce Department figures, the Asian Wall Street Journal reports.

EGYPT

Egyptian premier, Mr Fouad Moeideen, has announced new measures to tighten import controls as part of a programme to strengthen domestic production and boost the country's economy.

BELGIUM

Steel output in the non-communist world rose 3 per cent (last month) but fell 4.2 per cent from a year earlier to 35.8 million tonnes, the International Iron and Steel Institute reports from Brussels.

SOUTH KOREA

PYE TVT is to supply television transmitters worth £10.5m to the Korean Broadcasting System.

NOTTINGHAM MFG

Knitwear sales push up profits

Nottingham Manufacturing has topped market expectations mainly due to higher sales of its knitted garments caused by the hard winter.

Pretax profits jumped to £19m in the year to December compared with £15m last time well above estimates which were in the range of £17.5m.

This, with news of a higher final dividend of 4.8p gross, making a total of 6.42p against 5.7p gross, sent the group's shares up 4p to 167p, a new high for the year.

Nottingham's figures are impressive by any standards in the depressed textile industry and have come out significantly higher in the second half.

In the first half the group pushed profits up one-third to £5.5m but this was slightly misleading since the first half of 1980 was still suffering from the deepening recession.

But the second-half benefited particularly from greater turnover of its knitted underwear products which account for 55 per cent of the group's sales.

Total group turnover rose £20m to £192m in the year with most of the increase

coming from sales of knitted wear, hosiery and other clothes. Marks & Spencer is still the group's largest customer and although prices have not moved significantly in the period volume is up. In turn Nottingham is M & S's second largest supplier after Courtaulds.

Nottingham considers its trading margins are under pressure but at 7.4 per cent this is still above the average in textile sector.

Raw material prices have held at relatively constant levels and further benefits have come from continuing improvements from the group's rationalization measures taken last year.

The group's exacting management policy has again proved itself and working capital is tightly under control. Cash on balance, including investment in leased assets, has increased to £58m in the year end from £51m in the previous year.

LATEST RESULTS

Company	Net Profit	Profit	Earnings	Div	Pay	Year's
of £m	£m	£m	per share	pence	date	total
Anglo-Ind. Inv. (F)	(—)	0.48(0.44)	(—)	3.2(3)	8/4	8.2(8)
Abbey Plc (F)	9.29(10.15)	0.88(0.87)	8.32(6.58)	0.7(0.7)	2/4	2.02(0.05)
C.Baynes (F)	2.06(1.92)	0.41(0.34)	3.53(3.63)	0.5(0.4)	29/4	0.7(0.6)
Englehart Invest (F)	(—)	1.08(1.28)	1.68(1.97)	1.05(1.2)	2/4	1.8(1.8)
Int. Ind. of Grains (F)	(—)	0.81(0.48)	3.26(2.82)	3.2(2.8)	30/4	5.4(4.4)
Joseph Hoyle (F)	1.75(2.26)	0.04(0.08)	5.13(12.56)	(—)	(—)	(—)
Joe Hodge (F)	(—)	0.14(0.14)	1.8(1.68)	1.07(1.07)	2/4	(—)
North. Bldg. (F)	182.7(173.8)	19(15)	18.8(18.53)	3.4(3)	1/7	4.5(4)
Rosney Trust (F)	(—)	1.85(2.02)	4.11(4.52)	3.1(—)	2/4	4.4(4.4)

Dividends in this table are shown net of tax on pence per share. Earnings in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.25. Profits are shown pretax and earnings are net. a=Loss; b=Net revenue, after tax; c=Declared gross; d=Gross income; e=Adjusted for extra items.

Nottingham never releases figures on its carpet division but these activities, despite the recession in the industry, are believed to be in the black.

Carpets account for 15 per cent of turnover and in the current year its latest acquisition, the assets bought recently from the receiver at Homfray Carpets for £4.5m, should make a positive contribution this year.

EUROFLAME

Shares inquiry

The Stock Exchange is investigating dealings in the shares of Euroflame Holdings, the log-burning stove distributor, whose Unlisted Securities Market quote was suspended eight days ago after a New Year's Eve announcement that the company would make a substantial loss this year.

Sir Nicholas Goodison, the Exchange chairman, said last week that the Exchange was investigating Euroflame, but hinted that its inquiries were mainly directed at the statements in the group's prospectus before it came to the USM last March.

Yesterday, Mr John Leaman, senior partner of stockbrokers Sternberg, Thomas Clarke & Co who were brokers to the new issue and are still retained, said they were now answering questions from the Stock Exchange on the deals in Euroflame shares.

Mr Leaman added: "But we don't know what the position is with the company's statement and we have not spoken to Tring Hall recently."

Euroflame was bought by the small issuing house Tring Hall Securities, which still has around 53 per cent of the shares. After the company's Stock Exchange suspension at 8p a share, a statement

was promised for last Wednesday.

Mr Dennis Poll, for Tring Hall, was said to be unavailable for comment yesterday and a spokesman for Mr John Viall, Euroflame chairman and managing director, said: "He's busy at the moment and then he has to go out."

Mr Viall joined Euroflame in October 1980. In a review of the company's prospects before its USM listing, Sternberg, Thomas Clarke said: "Mr Viall has previously acted as a marketing consultant to Euroflame and has some 20 years' experience as managing director of various businesses and in the sales and marketing field."

DISTILLERS

Stake in bank

Distillers, the whisky giant whose chairman is Mr John Cater, has finally confirmed what the stock market had suspected for some time, that it had built up a stake of nearly 5 per cent in the Bank of Scotland.

The company took its stake last July by buying through the market, when the Monopolies and Mergers Commission was still investigating the two rival takeover bids for the Royal Bank of Scotland, the other main Scottish bank, from Standard Chartered and the Hongkong and Shanghai Bank. The commission eventually vetoed the two bids earlier this year and Distillers said yesterday that it saw its stake just as an investment.

"There is no intention of a takeover in view of the present situation," said director Mr Charles Robertson but he added: "If the Monopolies and Mergers Commission's view had been



Mr John Cater

otherwise, we might have taken quite differently."

Mr Robertson was reluctant to be drawn on what this meant, although he conceded that a desire to see a big part of Scottish banking remaining independent in the event that Royal Bank was taken had been part of Distillers' strategy.

The stake was taken, however, without the knowledge or desire of the Bank of Scotland, Distillers said. The Bank of Scotland has never made any secret of its wish to stay independent of its opposition to the Royal Bank's merger plans.

Meanwhile, Bank of Scotland shares rose 10p to 452p yesterday, but market men attributed the rise to a good day for clearing bank shares as the reporting season is in full swing rather than to speculation over the Distillers stake.

Cawdow

Receiver called

Receivers were called in yesterday to Cawdow Industrial Holdings, the Manchest-

er dyeing house and kitchen furniture group, which has been losing money for three years.

Only a month ago, an encouraging statement was made from Mr Michael Hoare, part-time chairman and a former Playboy director, that Cawdow's trading losses were being reduced as a result of cost-cutting measures.

But now the board says the financial position has deteriorated to the point where it felt unable to trade and asked Barclays to call in the receiver. The group had arrangements with Barclays for a seven-year loan of £750,000 and overdrafts up to £2m but present borrowings stand at £2.5m. Cawdow, formerly the British Cotton and Wool Dyers Association, employs some 500 staff in its factories.

Philip Livesey, joint receiver with Mr Cyril Field of the Manchester office of Cork, Gully, said last night he aimed to keep the business going while reviewing the company. But he hopes to sell all the interests which include engineering, activities, DIV and timber, weaving, kitchen furniture and four clothes shops.

Cawdow lost £944,000 in the last year to March 1981 as sales slipped to £11.5m and the dividend was passed. Closure costs then amounted to £200,000. In the half year to September losses were stemmed to £415,000 compared with £549,000 in the previous year. The group made a profit of £400,000 in 1979.

Later last year Hillingworth Morris and Mrs Pamela Mason sold their near 34 per cent stake in the company. The group's shares had recovered a few pence recently before they were suspended last Friday at 14p.

BIDS AND DEALS

Acceptance of the offer by Société Générale Holdings for Tanka Consolidated Investments have been received in respect of over 90%, the balance to be acquired compulsorily.

Harris Queensway Group has purchased 12 shares from Newday Holdings for £650,000. The shares are mainly in the Midlands and North-east and have a total area of approximately 89,000 sq ft. They will be added to the group's existing 100,000 sq ft of 100 high street furniture stores.

Completion of United Biscuits' acquisition from Colgate Holdings (UK) of the issued share and loan capital of Joseph Terry & Sons, of a wholly owned subsidiary has taken place.

Micro-biologicals, of Fordingbridge, Hampshire, has been acquired by Mr Michael Roach and Mr Keith Thompson with the backing of ICFE and Pegas Holdings, the Lloyds Bank development capital subsidiary. The company's sales have risen sharply to £1.1m with profits of £224,000.

The board of Robinson Brothers (Rydere Green) states that after the passing of the Companies Act 1980 it has become necessary for the company to decide whether it wishes to become a new style public limited company or to re-register as a private company.

The directors now propose that it should re-register as a private company.

Holders of the preference shares need have no concern as to the change of status. The preference shares will continue to be quoted on the Stock Exchange as before and the Stock Exchange has confirmed that the election for private company status will not affect the listing.

Occidental Petroleum intends

RETAIL SALES

Year	Sales by volume of retail sales released by the Department of Trade	Sales by value (not adjusted) % change
1980 1st Qtr	104.7	+20
2nd Qtr	104.1	+12
3rd Qtr	104.2	+9
4th Qtr	104.2	+9
1981 1st Qtr	106.6	+8
2nd Qtr	104.7	+8
3rd Qtr	105.5	+9
4th Qtr	105.4	+9
1982 1st Qtr	104.5	+7
2nd Qtr	104.2	+7
3rd Qtr	105.1	+11
4th Qtr	105.2	+9
1982 1st Qtr	107.8 (prev)	+8 (prev)

to issue \$75m notes due 1987 to the United States. The notes are expected to be priced on February 26.

SKF Investments has received acceptance in respect of 58,723 preference shares (36 per cent) of the total not already owned by SKF Investments). The offer has been closed and will not be revised or extended. SKF holds 346,856 preference shares (77 per cent) and owns all the equity capital.

Hoveringham Group, a subsidiary of Tarmac Roadstone Holdings, announces the sale of the fixed and movable plant assets of its waste disposal division to British Holdings, a subsidiary of the British Electric Traction Co and a leading waste disposal company.

The division operates waste collection and disposal business from seven depots in the Midlands, and the Home Counties.

The consideration of £2.65m, payable in cash on completion approximately equates to the value of the assets sold and the last

audited accounts of the division for the year ended December 31, 1980 showed a pre tax profit of £350,000.

INTERNATIONAL COMPANIES

Caltex Australia reported a 59 per cent drop in net profit during 1981, its first year as a listed company, to A\$20.95m from A\$1,690m on sales revenue up 62 per cent to A\$1,690m in 1980.

Borg-Warner Corp. unit Borg-Warner (Australia) posted its seventh successive record profit in 1981 on record sales and exports. Mr John Clarkson chairman said. Net profits were up 22.5 per cent to A\$12.11m against A\$9.88m in 1980 on sales up 16.7 per cent to A\$225.48m from A\$193.18m.

THE THROGMORTON SECURED GROWTH TRUST PLC

INTERIM REVENUE STATEMENT (Unaudited)

	Six Months to 31.1.82	Six Months to 31.1.81	Year End 31.7.81
GROSS REVENUE	369,918	362,998	767,885
Less: Interest charges	162,701	158,747	319,177
Administration	24,101	23,041	57,857
Less: Taxation	183,116	180,410	390,864
	58,015	60,989	104,816
EARNINGS FOR THE PERIOD	£124,501	£119,441	£286,048
EARNINGS PER SHARE	1.25p	1.19p	2.86p
DIVIDENDS			
Interim 0.6125p (1981—0.6125p)	61,250	61,250	61,250
Final (1981—1.9625p)	—	—	196,250
COST OF DIVIDENDS	£61,250	£61,250	£257,500
Undistributed Revenue of the period	63,251	58,191	28,548
Revenue brought forward	39,026	10,478	10,478
UNAPPORTIONED REVENUE CARRIED FORWARD	£102,277	£68,669	£39,026

The Board of Directors are pleased to declare an interim dividend of 0.6125p per share (1981—0.6125p) payable on 2nd April, 1982 to ordinary shareholders on the register at the close of business on 11th March, 1982.

NET-ASSET VALUE APPLICABLE TO EACH UNIT OF CAPITAL LOAN STOCK (Debentures at par)

	167.1p	155.8p	165.8p
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BUSINESS NEWS/FOCUS AND COMMENT

PEOPLE

Whicker in Bell's wonderland

The danger of using a top television man to promote your product is that he may upstage it. In town yesterday from his Jersey exile was Alan Whicker, now a plump and greying 58 year old, who spoke and wrote the commentary for "Whicker in Bell's Wonderland". A 45-minute colour film designed to show the public and others why Bell's whisky is now our biggest seller with around a quarter of the United Kingdom market.

Your Sassenach diarist was not convinced that the neophyte of bagpipes, view of the Forth Bridge, or the unsettling sight of whisky being bottled like milk will help Bell's sell one extra bottle. But the film did cost £150,000, it did net Mr Whicker around £35,000, and Mr Marais Steyn, the South African ambassador and other diplomatic bigwigs stopped by for a tot.

Whicker, incidentally, has hours and hours of film for both BBC and ITV already in the can, and in three weeks we get his autobiography. I wonder what it will be called.



Alan Whicker and Bell's chairman and managing director Raymond Miquel

Peter Prior, parachutist, limber reciter, motorcycling chairman of the Bulmer Cider group and an executive who believes in sending his managers and shop stewards on outward bound courses, was named communicator of the year yesterday by the British Association of Industrial Editors. Mr Prior, 40, was Bulmer's sponsorship of the Strongbow Award, a new accolade for the best annual company report also sent to employees. He complained to his audience, which included the Duke of Gloucester, several MPs and a Cabinet minister that separate company reports for workers were patronising.

Cosmo male's snap decision

Brian Braithwaite is one of the few men to be seen around the place at the Soho offices of the magazine Cosmopolitan. Braithwaite is the founder-publisher of the magazine, which is celebrating its tenth anniversary. He tells me, however, that of Cosmopolitan's readership of more than 440,600 no less than a quarter are men.

One of the magazine's claims to fame, he tells me is that it has yet to print a photograph of Princess Diana and probably will not even when she has her baby this summer.

"We might print something about the Princess if she was doing something interesting say if she were given the chairmanship of the Equal Opportunities Commission — and was doing it well."

Pipe dealers from all over the world gathered in Blenheim Palace for the Dunhill Pipe Dealers' World Conference. The event was presided over by the supreme pipe smoker, Sir Harold Wilson, in the birthplace of that supreme cigar smoker, Sir Winston Churchill.

Among them was Mrs Jean Bain of Irvine, California. She smokes a pipe all the time. She has two shops in Costa Mesa and Westminster, she sells more than £300,000 worth of pipes, tobacco, cigars and cigarettes annually.

"I've been smoking apipe for seven years and smoke about four ounces a week of all English blends. I particularly like Dunhill's Standard Mixture Mild which costs £2.50 in this country and only £1.17 in the States."

Adler's the name in tapestry

Expansion is on the mind of David Jamieson, sales and marketing director for the Middle East of Holiday Inns, which claims to be the number one world chain with 1,750 properties.

Jamieson is sniffing round under-hotelled spots in Egypt like Luxor and Aswan — but has decided not to join the rush into Nile hotel boats.

He's most pleased with the latest Holiday Inn in Kuwait, just opened between Kuwait City and the airport, which sports a 24 foot wide tapestry designed by Banbury's Richard and Elizabeth Adler and woven on a specially built loom at Edinburgh.

Peter Wainwright

John Whitmore

Recasting monetary policy — quality not quantity

Monetary policy is dead, long live monetary policy. Dating the demise of the simplistic Mark One version of monetary policy — hit the money supply target and all will be well — is a matter of choice. Probably there is no specific date to fix on. What we have seen is a slow demise. Ministers and officials have come to appreciate more fully both the theoretical weaknesses and the practical difficulties of an over-rigid approach to monetarism.

The Mark Two version of monetary policy into which we have evolved over the past year or so is what might most sensibly be called a policy of general financial discipline rather than very much else.

The basic structure of the original policy will still be there when the chancellor presents his Budget on March 9, and rightly so. Some kind of infrastructure is still required. The medium term financial strategy will still be there. A money supply target will also be there, probably focussing once again on the broad measure of banking money, sterling M3 (notes and coins in circulation together with residents' sterling deposits with British banks).

Moreover, some of the trappings of the new monetary policy will probably be absent. The exchange rate may bear a mention as one of the many financial gauges the Government now reads. But there will be no mention of an exchange rate target, partly because that would present a target for markets to shoot down, and partly because the new flexibility calls for a moving, or rather a moveable, target anyway.

The Government's more flexible approach to monetary policy is, by and large, to be welcomed. It recognises that a whole range of domestic monetary gauges need to be monitored, and then assessed in conjunction with each other.

It recognises too that qualitative interpretation of financial information is as important as the strictly quantitative readings. And the more so in such a volatile international situation.

The fear, of course, is that the use of a broader range of financial indicators will simply lead to the authorities using their discretion to over-ride any awkward gauge for the wrong reasons.

In short, the new pragmatism and flexibility could rapidly degenerate into laxity and weakness.

In several of his recent speeches the Governor of the Bank of England, Mr Gordon Richardson, has gone out of his way to try and lay such fears at rest. He has spoken out in support of the broader approach to monetary policy but at the same time stressed the need to use this broader approach to maintain the disciplines required to defeat inflation.

The fear of backsliding is entirely natural, of course. Whether sufficient determination exists to maintain financial discipline will only become apparent over time. But the relapse into easy ways is not the only fear of many more dogmatic monetarists. Inevitably, they see the new monetary policy as one large contradiction in terms.

The fear is that the new pragmatism and flexibility could rapidly degenerate into laxity and weakness

The aim of monetarism is to control the supply of money. That cannot be done so long as the authorities attempt both to control the supply and retain a grip on the pricing of money at the same time. And that applies whether one is talking about interference with the domestic pricing through interest rates or the external pricing through the exchange rate.

How sensible, then, is the evolution of monetary policy that we are now seeing?

As far as the use of a broader range of monetary indicators goes, the trend seems eminently sensible. While sterling M3, probably remains the one aggregate the authorities can get closest to controlling, at least for the moment, it is a far from perfect measure for a number of reasons. Over and above the problem of Goodhart's Law (whereby any indicator tends to become distorted and so to lose its value once it becomes a target), the nature of sterling M3 is being changed by the increased use of bank deposits for savings purposes and (the other side of the coin) the need for the banks to bid in more deposits to finance both their increasing role as providers of medium term credit to industry and their expanding share of the home loan market.

Given that there is not only a clear need for flexibility in the official approach to sterling M3, but also an additional need to look at as many monetary indicators as possible to interpret what is happening to the economy or important financial flows at any particular time.

For example, the large build-up in residents' holdings of foreign currency deposits last year probably served to keep sterling M3 growth lower than it otherwise might have been. Similarly, if these deposits were now being converted back into sterling to pay off tax bills, as the January money supply figures seem to suggest, we have the obvious explanation as to why the domestic money supply has continued to grow — rather than contract through the main tax-paying season. (Precisely how large the effect is, depends on whether the sterling bought to meet tax payments comes from residents or non-residents).

Whether the authorities did or should have taken cognisance of this development in executing monetary policy last year, may be open to doubt. But they should certainly have been aware



Gordon Richardson, Governor of the Bank of England: supports the broader approach, but stresses the need for discipline

that hopes of a contracting money supply through the present tax paying season, were very much a hope rather than a racing certainty.

A more central and more critical indicator to the authorities is probably domestic credit expansion (DCE — bank lending to public and private sector), at least as defined net of sterling lending overseas. DCE, together with exchange rate considerations, were probably the main considerations behind the like in domestic interest rates from 12 to 16 per cent late last summer.

Many monetarists are none too keen on putting DCE on a par with sterling M3. Yet in the sense that monetary creation is a two round process, with the spending of a new credit creating a new deposit for further potential

spending, DCE must rank as a primary indicator. This is particularly true over the short term since credit created in the economy may never show up in the money supply if the credit is placed or spent overseas (or even fished out of the pool by the foreign exchange intervention of the Bank of England).

The usefulness of DCE (and its components) seems all the more apparent, moreover, in a world when freedom of capital controls together with enormous volatility on the international financial scene, can produce large scale movements of money into and out of the domestic money supply over the short term.

Whether that is the same as saying that the Government is right to add exchange rate targets to its monetary policy is another matter. The suspicion must be that there are adverse medium trade-offs involved in any sustained form of foreign exchange intervention, unless domestic policy is adapted to the exchange rate target — in which case the trade-off becomes more short term and generally visible.

The temptation to create a degree of exchange rate stability is obviously very attractive. But it also smacks of stalling up trouble for the future and is symptomatic of an increasing wish on the part of governments to temper market volatility which threatens to destabilise the real economy.

Indeed the long term consequence of a persistence with a floating exchange rate regime may well be the need for governments to intervene more regularly and more directly in the running of their domestic economies.

(BA) or once a complaint has been received (in the case of the ASA).

The current ASA cases report, for example, which deals with complaints received or resolved in December, shows that 91 of the 218 complaints were upheld by the ASA.

Car manufacturer BMW was the subject of 12 complaints from the public for its advertising campaign inviting readers to find out about the BMW series "on News At Ten tonight". Further advertisements read: "If you missed the demonstration of the new BMW 5, series on News At Ten." and "We wonder if you saw News At Ten every night for a week?"

The complainants pointed out that the BMW series had not been on News At Ten but had featured in an advertisement at 10.15 pm. They thought that the reference to the programme was misleading.

The judgment of the ASA was as follows: "The advertisers stated that in their view, readers of the publications were unlikely to take the reference literally. The authority considered, however, that the reference to the programme News At Ten was highly likely to mislead and the advertisers were requested to avoid using this approach in future campaigns."

Whether such a judgment, coming several weeks after the campaign had finished, is of practical value is something that opponents of the voluntary control system dispute. They believe that, like the broadcasting controls administered statutorily by the IBA, every advertisement in the press, cinema or on posters should be vetted in advance by a control body. Alternatively, since this is almost certainly impractical, with millions of advertisements appearing every year, they believe there should be legal penalties against advertisers who transgress the rules.

The Labour Government supported such a view in the mid-1970s and the advertising business lobbied long and hard to persuade the Department of Prices and Consumer Protection and the Office of Fair Trading that the business could regulate its own affairs.

This campaign was successful, though in the process the advertising business undertook to strengthen its controls, instituting a levy of 0.1 per cent on all non-broadcast advertising budgets, to finance the system through an Advertising Standards Board of Finance, and increasing the number of people from outside the advertising business who sat on the ASA Council.

MARKETING AND ADVERTISING: THE CONTROLS

By Tim Douglas

The ASA was investigating a complaint it decided to have another look at the claim itself. "We had reservations about the exclusion of the 'don't know' for some time though we had no complaints," says Mr Harry Theobalds, the IBA's head of advertising control.

"We kept closely in touch with the ASA and when we discovered they had a complaint we put the matter to our Advertising Advisory

the past, I have to say we don't believe the claim is misleading and successive control bodies over the years have approved it."

Whether the IBA should have approved it over all these years, is another matter. "But if nobody planned to us, we never had any reason to look at it again," says Mr Theobalds. "I don't regard this case as the end of the world because it



Committee, and then opened up discussions with Pedigree and the television companies."

The Whiskas television commercial now says: "In tests, eight out of ten cat owners say their cats prefer it." The poster, which was a test campaign, has finished its run and Pedigree is not planning to use any prime media in the immediate future.

Pedigree's marketing director, Mr Tony Hallatt, fought hard against the ruling, but is not questioning the verdict. "We at Pedigree Periods totally accept the voluntary regulatory system within advertising," he says. "We believe there have to be bodies like the ASA and given this belief we accept the judgment without reservation. If the umpire gives you out you don't question the decision."

"However, if you ask whether we were justified in running this advertising in

was certainly not intended to mislead people and I don't think it did mislead people. It just needed to be made clearer."

Mr Hallatt would like to see some changes made to the procedures of the ASA in spite of his basic belief in its role. He would like advertisers to be able to discuss cases directly with people sitting in judgement, instead of having everything communicated in writing.

And he would like his company's own researchers to be able to discuss matters of methodology directly with the control bodies' experts, because he believes his people know a good deal more about their own marketing area than do consultants who have been drafted in specifically for the occasion.

Business Editor

Opposing higher commissions

The Stock Exchange Council is not having an easy time with its proposals for a rise in commission charges. Profitable firms are questioning whether the rise in commissions, especially those affecting private clients, are really necessary. But there are a number of medium-sized firms which, lacking profitable specialities such as corporate, Far East or gilt business, are finding life a struggle.

Since it is natural for the more successful firms to be among the most volatile, it is probably not surprising that there is a loud chorus of protest against increases in rates highly political area — private clients. The most successful feel competent to compete with existing commissions — they are after all only minimal.

But the Stock Exchange Council is only the trade association to the industry, and as such should react to opinion that carries weight in the industry. So it remains to be seen if it is swayed by arguments against its package, or if it is determined to increase total commission revenue by 7.3 per cent. While proposing cuts in commissions on certain large bargains.

At three brokers with very different styles, Scrimgeour, Kemp-Gee, Laurence Prust and Guy Fuckle the partners are strongly against increases in commissions particularly to the private client.

At Scrimgeour, Kemp-Gee the senior partner, Mr Richard Falford says he sees little evidence of efficient firms being unprofitable. He is against higher commissions to private clients. He feels they will discourage this already shrinking business, as well as being unwise tactically when the Office of Fair Trading is preparing its case against the stock exchange monopoly.

He raises a highly topical point that if the council is worried about the capital base of stockbroking firms, then the simplest thing is to tighten capital requirements. At Laurence Prust Mr Bill Stutterford says that in his view it is a mistake to treat bargains of £2,000 to £7,000 as small — they are the backbone of Stock Exchange business.

At a very much smaller firm, Guy Fuckle, the view is very much that anyone can already charge more than the minimum. Clearly there's a good deal of argument about how profitable private client business is depending on individual brokers' allocation of costs. But there is also a strong suspicion that the securities industry remains heavily over-brokered.

Belgium Hard times

Belgium's Government cut through the country's economic problems with a vengeance this weekend when it devalued the franc and imposed a tough domestic austerity package.

The structural problem of

Belgium has been apparent for some time. Its membership of the European Monetary System has led to the franc being overvalued for the traditional industries, such as steel, on which it has depended.

This in turn has produced ever-growing government subsidies to the declining industries which have had to be financed out of borrowing at high interest rates. The high interest rates have made it even more difficult for the new private industries the country needs to grow.

What has been missing in the past is the option of devaluation. In the only way out of this mess. But even if the final 8.5 per cent devaluation is big enough (which many in the market doubt), the Government will have a tough time making it stick. In order to get agreement the Prime Minister M Martens had to exclude the Socialists from the coalition.

A combination of wage and price controls with devaluation was the only way out of this mess. But even if the final 8.5 per cent devaluation is big enough (which many in the market doubt), the Government will have a tough time making it stick. In order to get agreement the Prime Minister M Martens had to exclude the Socialists from the coalition.

Subsidies EEC questions

State industries in Europe are complaining bitterly over a directive from the European Commission which obliges member governments to reveal all on public funding for the industries.

The object of the exercise is to ensure that European governments are not breaching the competition rules of the community.

But the enterprises claim that the EEC interpretation of state aid unfairly discriminates against them. This is because it starts off from the premise that all state aid is a distortion of government to industry *prima facie* state aid.

Yet for publicly-owned industries the state may simply substitute for the private market. This does not mean that the industries are in a privileged financial position, perhaps the reverse.

For instance, in Britain the state acts as banker and sole shareholder for the main nationalised industries. So funds raised from the state acting in these roles should not be counted as aid unless the terms and conditions are more favourable than a comparable private company could get from its bankers or shareholders.

Even the funding of losses may not always count as state aid, some would argue, since private sector holding companies will also fund the losses of subsidiaries if they believe this is in the longer run interests of the group.

The confusion between state financing of public enterprises and state aid for them arises largely because the EEC Commission has failed to distinguish between the state as state and the state as proprietor.



Extract from Accounts at 31st December, 1981

	1981	1980
Issued Capital	£000	£000
Retained Profits	10,800	10,800
Subordinated Loans	9,790	7,735
Deposits	10,479	4,194
Loans	431,314	377,358
Total Assets	281,666	222,953
Profits before Taxation	480,023	411,710
after Taxation	3,053	3,841
	2,703	2,730

Japan International Bank Limited

Shareholders

The Fuji Bank Daiwa Securities
The Mitsubishi Bank The Nikko Securities
The Sumitomo Bank Yamaichi Securities
The Tokai Bank

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